Austria ... Sch 15	Indonesia .. Rp 2500	Portugal ... Esc 65
Bahrain .. Din 0.650	Italy ...... L 1100	S. Arabia .. Rls 6.00
Belgium ..... BFr 35	Japan Y550	Singapore . S$ 4.10
Canada ... C$2.00	Jordan ... Fils 500	Spain ...... Pta 95
Cyprus ... Mils 600	Kuwait ... Fils 500	Sri Lanka ... Rup 30
Denmark .. Dkr 7.00	Lebanon .. £L 6.00	Sweden .. Skr 6.50
Egypt .... E£1.00	Luxembourg . LFr 35	Switzerland . SwFr 2
Finland .. Fmk 5.50	Malaysia .. Rm 4.25	Taiwan ... NT $65
France .. FFr 5.50	Mexico .. Pes 300	Tunisia .. Din 0.600
Germany . DM 2.00	Morocco .. Dh 6.00	Turkey .... L 160
Greece ...... Dr 50	Netherlands . Fl 2.25	U.A.E. ... Dh 6.50
Hong Kong . HK$ 12	Norway .. Nkr 6.00	U.S.A. $1.50
India .... Rup. 15	Philippines . Pes. 20	

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FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,207 Thursday December 29 1983 D 8523 B

Why the world drug industry is in pain, Page 6

NEWS SUMMARY

GENERAL

U.S. says it will leave Unesco

The U.S. gave one year's notice of its intention to leave the Paris-based United Nations Educational, Scientific, and Cultural Organisation.

The decision follows months of controversy, with the Reagan Administration showing increased exasperation at what it regards as the agency's anti-American political stance. It will deprive Unesco of a quarter of its funding. The U.S. share for 1984–85 was recently set at $374.4m.

The U.S. with other Western nations, found unacceptable a plan to give governments control over the flow of news and information. Page 8

Italians to stay

Italy's Government has told Washington that its policy is unchanged and that its troops will stay in Lebanon. Page 2

Moslems attacked

Four cars and several buildings in the Lebanese port of Sidon were damaged in what was said by Lebanese security to be an attack on Moslem fundamentalists. One Israeli soldier was killed and two injured in a village ambush in south-east Lebanon. Page 3

Gavaskar record

Indian batsman Sunil Gavaskar, playing his 99th cricket Test for his country, scored 149 not out against the West Indies: a record 30th Test century and one more than Sir Don Bradman (Australia).

Spanish town strikes

The town of Puerto Serrano, near Cadiz, went on strike, accusing Civil Guards of brutality and using rubber bullets against workers protesting against delays in wage payments.

Portugal flights hit

Nearly all outward flights of TAP, the Portuguese state airline, were grounded by a one-day pay strike by ground staff.

Tree felling blamed

A Ghanaian Minister blamed indiscriminate tree felling for reducing rainfall in the country's upper eastern region from eight months a year to three months.

'End oil row' plea

Former chairman of Elf-Aquitaine, M Albin Chalandon, has appealed to French President François Mitterrand to put an end to controversy over a failed oil prospecting scheme involving the state-owned company. Page 2

Dutch ban backed

Dutch parliament supported the government decision to ban further submarine deliveries to Taiwan, but demanded compensation for the Wilton-Feyenoord shipyard.

Call to stop 1984

A group of Swiss have proposed a constitutional amendment to number the New Year 1 "to prevent Orwellian conditions in Switzerland" in 1984.

New U.S. cold wave

New snow storms and freezing weather reached the U.S. Mid-West. Ice and floods created havoc in the South. A sub-zero weekend is forecast. Page 2

Danish dodgems

Four 12-year-old boys broke into a car storage compound at Copenhagen. They drove about 40 new Citroëns and damaged about 100, totally wrecking some.

BUSINESS

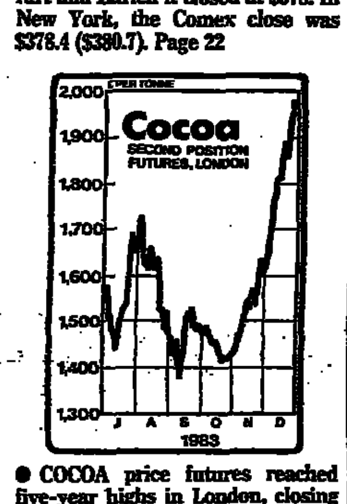
Budget threat to Israel coalition

● *ATTEMPTS TO reform Israel's tottering economy are threatening to bring down the Government of Mr Yitzhak Shamir.* **The Cabinet will meet in special session tomorrow to discuss drastic budget cuts that are sharply opposed by some of the junior coalition partners. Page 3**

● **DOLLAR closed at DM 2.7515 (from DM 2.757 in London on Friday, but DM 2.74925 in New York on Monday), FFr 8.42 (from FFr 8.4375 in London; FFr 8.41875), SwFr 2.1875 (SwFr 2.1955/2.187) and Y233.3 (Y233.7 in London and New York). Its Bank of England trade-weighted index fell from Friday's 130.3 to 130.1. In New York it closed at DM 2.743, FFr 8.40, SwFr 2.187 and Y233.15. Page 23**

● **STERLING rose 20 points from Friday's London figure to $1.435, was unchanged at DM 3.95 and Y335, but eased to FFr 12.08 (from FFr 12.085) and SwFr 3.14 (SwFr 3.145). Its trade weighting was unchanged from Friday's 82.5. In New York it closed at $1.4355. Page 23**

● **GOLD fell $2.25 from Friday's London close, to $377.875. In Frankfurt and Zurich it closed at $378. In New York, the Comex close was $378.4 ($380.7). Page 22**



● **COCOA price futures reached five-year highs in London, closing £27.50 up at £1,980.50 ($2,842) a tonne. Page 22**

● **WALL STREET: The Dow Jones Industrial Average closed 0.51 down at 1,263.21. Report, Page 13. Full share prices, Pages 14–16**

● **LONDON: FT Industrial Ordinary index edged up 0.6 to 775.6. Government securities showed gains averaging about 0.25 per cent. Report, FT Share Information Service, Pages 17–19**

● **TOKYO: Last stock exchange session of 1983 closed with the Nikkei Dow index at a record 9,893.82, up 9.58 after profit-taking. Stock Exchange index was 3.08 up at 731.82. Report, Page 13, Leading prices, other exchanges, Page 16**

● **EAGLE STAR insurance takeover battle between Allianz, West German insurance group, and UK tobacco group BAT is unlikely to be resolved before tomorrow, despite attempts to reach a compromise.**

● **WEST GERMANY'S Flick group appealed against the Economics Ministry decision that it should pay about DM 450m ($164m) in back tax.**

● **WEST GERMAN trade with Arab countries fell by 49.7 per cent to DM 12.9bn ($4.68bn). Page 3**

● **HUNGARY will seek to borrow more from the West next year in order to ease import restrictions.**

● **CZECHOSLOVAKIA is putting up diesel and home heating fuel prices by 43 per cent to discourage home use.**

● **LAID-UP SHIPPING fell by 3.2m dwt to 84.1 dwt in October, 12 per cent of the total merchant fleet. But the UK lay-up figure remained at 17 per cent. Page 4**

● **NEXT WEEK the FT will publish a series of forecasts for 1984, examining the U.S., British and other world economies and key industrial sectors. The first articles will appear on Tuesday, January 3.**

Soviet Union aims for higher growth

BY ANTHONY ROBINSON IN LONDON

THE SOVIET UNION is aiming for slightly higher industrial growth next year and may step up its military spending even though the formal budget allocation to defence has not been increased.

Mr Nikolai Baibakov, head of the Soviet state planning board, Gosplan, yesterday told members of the Supreme Soviet that the 1984 industrial growth target has been fixed at 3.8 per cent, compared with a target of 3.2 per cent in 1983.

He also hinted at increased military spending to face "the aggressive policy of the current U.S. Administration and its unprecedented arms race."

The bulk of the higher output is planned to come from higher labour productivity, which is forecast to rise by 3.4 per cent, roughly in line with this year's achievement.

Mr Vasili Garbuzov, the Finance Minister, told the session that the military budget had been fixed at 17.05bn roubles ($21.5bn), the same as last year, or 4.7 per cent of a total budget set 3.4 per cent higher, at 366bn roubles.

Western military analysts, however, consider the formal Soviet defence budget a polite fiction with massive military allocations hidden in copious folds elsewhere in the budget.

The U.S. Central Intelligence Agency (CIA) believes that Soviet military spending has slowed down in recent years to grow at around 2 per cent annually but that the equivalent dollar cost of the Soviet military budget in 1981 was 45 per cent above U.S. outlays and accounts for 13 to 16 per cent of gross national product.

Although Mr Yuri Andropov, the Soviet leader, was absent from the Supreme Soviet session, the account of 1983's economic performance and the targets for 1984 set out by Mr Baibakov reflected the tone of Mr Andropov's speech on the economy read out for him at Monday's session of the party central committee plenum.

This year, the economy recorded an above-plan 4 per cent growth in industrial output which Mr Andropov interpreted as a sign that his emphasis on tighter discipline and better management was beginning to produce results.

Only the briefest outline of Mr Baibakov's speech was released yesterday and, for the third year running, no figures were given for the grain harvest.

Western experts estimate this years harvest to be around 200m tons, well down on the 237m tons target, but above the 180m tons of 1982 and 160m tons in 1981.

The performance of the Soviet energy sector is a key element in the overall economy because energy exports account for well over 70 per cent of total Soviet hard currency exports.

Results were again mixed. Oil production rose marginally to 617m tons and should increase to 624m tons in 1984, provided output can be sustained from Western Siberia which will account for 54 per cent of total oil output next year.

Soviet official visits France, Page 2

Two possible heirs to Mr Yuri Andropov, the ailing Soviet leader: Vitali Vorotnikov (left) and white-haired former Leningrad party leader Grigori Romanov, look on as Marshal Dmitri Ustinov, the Soviet Defence Minister, leans over Foreign Minister Andrei Gromyko to confer with senior Politburo member Konstantin Chernenko at yesterday's Supreme Soviet session in Moscow.

SHUTDOWN PROSPECT POSES DILEMMA

Poissy strike pushes Peugeot losses to more than FFr 2bn

BY PAUL BETTS IN PARIS

THE PEUGEOT group, France's large but financially troubled private car company, expects to report losses of more than FFr 2.2bn ($261m) this year and see its total debts of FFr 30bn rise further, largely as a result of the three-week strike at its large Talbot plant at Poissy, outside Paris.

The private car group is now contemplating legal changes in the status of Talbot et Cie, its French Talbot subsidiary, to enable it to spin off the company without imperilling the rest of the car group.

The French company appears to be seriously envisaging shutting down its Poissy plant, which might entail bankruptcy for Talbot et Cie, if the current labour troubles remain unresolved. The plant employs 17,000 people and forms the bulk of Talbot's French operations.

Peugeot appears to feel that it is now up to the French Government to deliver its part of the recent bargain struck between the company and the adminstration over Peugeot's controversial plan to dismiss some 7,500 workers in France, 2,900 of them at Poissy. Peugeot has subsequently agreed to reduced the Poissy redundancies to 1,900, but although the Government approves, the unions are resisting the plan.

The eventual shutdown of Poissy would, however, present a serious difficulty for Peugeot. The company acknowledges that such a step would disrupt its broad European medium-term industrial strategy of integrating the various parts of the Peugeot group.

The company had been planning to spend FFr 1.2bn on modernising Poissy to produce a new car model, widely expected to be a medium-range car to replace the current Talbot Horizon and give the Talbot division a badly needed new model to renew the range.

Moreover, Peugeot has already invested money in Poissy to produce 300 models a day of its successful small Peugeot 205. Production of that car is centred at Mulhouse, in eastern France, but the factory has now reached capacity of just over 1,000 cars a day. Peugeot thus has been seeking to increase 205 production by producing the cars at Poissy and at its Talbot factory in Villaverde, near Madrid, in Spain.

Company officials denied yesterday that the group envisaged selling Talbot et Cie. They also reaffirmed that Talbot's UK and Spanish operations were not directly affected by the current legal moves contemplated for the French company.

Poissy does, however, produce spare parts for Talbot in the UK and Spain.

But the company claims the strike at Poissy has not so far caused any serious disruption to the UK and Spanish operations.

Although there has been speculation that Peugeot might transfer some of its 205 production to its UK plant in Coventry, the company says no official decision has been taken on such a move.

In the event that Poissy should remain closed for an indeterminately long period, the company would still have to find the financial means to transfer to the UK the equipment installed at Poissy to assemble the 205.

Peugeot at the start of the year had hoped to break even in 1983. But the combination of the strikes at Poissy and the heavier production costs than anticipated of Citroën's commercially successful BX model are likely to see the group report heavier losses than the FFr 2.2bn deficit of 1982.

For their part, the trade unions and the Communist Party view Peugeot's latest move as an attempt to force the Government's hand.

The company had threatened to close Poissy before Christmas, leading to the compromise over the redundancies with the Government.

The deadline is closing in on the Government, since on Monday Poissy is technically due to open again after the Christmas shutdown. But so far there has been no sign of a shift in the union's position.

Talbot's exports to Iran 'secure', Page 3

Pennzoil seeks up to 20% of Getty Oil with $1.6bn offer

BY WILLIAM HALL IN NEW YORK

PENNZOIL, a medium-sized Houston oil company, is seeking to spend up to $1.6bn in acquiring a stake of up to 20 per cent in Getty Oil, the 14th biggest U.S. oil company, which is in the midst of a bitter feud between the existing management and some of the family of the legendary oil billionaire, the late J. Paul Getty, who founded the company.

In an unrelated move, the management of Getty Oil, which has been under attack by Mr Gordon Getty, sole trustee of the Sarah C. Getty trust, which is Getty Oil's biggest shareholder, announced that it was withdrawing its support for a lawsuit that challenged Gordon Getty's position as sole trustee.

The lawsuit has been a serious bone of contention between Gordon Getty, who alleges that the company has not been well managed, and Getty Oil management. The management's action in climbing down must be seen as a victory for Mr Getty, who is reputedly the richest man in the U.S.

Pennzoil yesterday commenced a tender offer to purchase up to 16m of Getty stock at $100 a share in cash. The offer is not conditional on any minimum number of shares being tendered and Pennzoil, which was founded by its present chairman, Mr J. Hugh Liedtke, and George Bush, the Vice-President of the U.S., has reserved the right to buy more at some later date.

Getty Oil shares rose after the announcement to close $19¾ up at $100. Earlier this year the shares had traded as low as $47½ and at current prices the company is valued at $7.6bn.

In 1980 Kuwait tried to buy a 15 per cent stake in Getty Oil and, although this came to nothing, the company has long been regarded as a prime takeover candidate. Since Mr Getty's death in 1976 its record has been dull and attempts to diversify have not been very fruitful.

Mr Gordon Getty, one of the famous oilman's sons, is the sole trustee of the Sarah C. Getty Trust (named after J. Paul Getty's mother) which controls 31.8m shares or 40.2 per cent of Getty Oil. For some time Mr Getty Junior had been concerned that Getty Oil's management was not acting in the best interests of shareholders.

The row has rumbled behind the scenes for several months and Mr Getty has alleged that the management had threatened to issue up to 9m new shares to reduce the trust's influence. Along with the J. Paul Getty Museum which controls another 11.8 per cent, the two trusts control more than 50 per cent of Getty stock.

On October 19 Getty Oil and the two trusts signed a one-year standstill agreement in an attempt to end the infighting.

However, Mr Gordon Getty has argued that this agreement was broken by the company shortly afterwards when Getty Oil came out in support of a move by lawyers acting for another brother who want another trustee to join in looking after the interests of the Sarah C. Getty Trust.

Oil industry observers believe that Getty's management, led by Mr Sidney Petersen, is in a weak position to fight the two trusts and there is a growing feeling that some form of restructuring will shortly be imposed on Getty.

Getty Oil is the latest in a string of U.S. oil companies facing serious challenges from shareholders. Superior Oil, the biggest U.S. independent, is facing a possible takeover bid following the decision of a major shareholder to sell his shares to the highest bidder, and Gulf Oil is facing a proxy challenge from Mesa Petroleum.

Men and Matters, Page 6

U.S. cold spell boosts North Sea oil price

BY IAN HARGREAVES IN LONDON

THE SPOT price of North Sea oil was pushed to its highest level since late October yesterday in a belated, post-holiday reaction to cold weather in the U.S.

Brent crude for January loading was trading at $29.50 a barrel, a rise of 70 cents from last Friday.

At that level, the spot price is within a whisker of the official price for Brent crude of $30 a barrel. The British National Oil Corporation is seeking to maintain this price in the first quarter of next year.

Oil traders said yesterday that the higher spot price would give BNOC a useful psychological advantage in its negotiations with the oil companies this week, although many traders doubt that the firmness in the spot market will last.

Esso has already indicated that it is backing BNOC's stance on pricing and will probably be supported by Shell, Britoil and British Petroleum. Texaco and Chevron are among the companies still pressing for a price cut.

Traders were divided in their interpretation of the post-Christmas oil price movements, which have added a dollar a barrel to light crudes in the New York market and which yesterday took the New York February futures price for light crude over the $30-a-barrel mark.

Some maintained that a movement of that scale could not be explained by a brief, if severe, cold snap and pointed to a lack of availability of Arab light crudes for January loading as evidence of a possible cut in Saudi production.

Sheikh Ali Khalifa Al-Sabah, the Kuwaiti Oil Minister, was yesterday reported in the newspaper Al-Watan as ruling out the possibility of any price increase in 1984. But he re-asserted Opec's determination to defend its $29 marker price – a goal to which BNOC is contributing by its attempt to hold North Sea prices.

At the same time, however, Ecuador, a small producer with output of only 240,000 barrels a day, was forced to cut its price for long-term contracts from $28.20 to $27.50 a barrel.

In the U.S., the supply-demand picture has been made tighter by a conscious run-down of heating oil stocks by oil companies seeking to reduce their stock-financing costs at a time when profit margins are under pressure and interest rates are high. By mid-December, U.S. stocks of distillate oil were at 163m barrels, compared with 189m barrels at the same point in 1982.

Oil companies, whose refineries are still operating some way below full capacity, aim to meet any upswing in demand by raising refinery throughput. The severity of the weather over the weekend, however, forced some refineries to close down.

Traders said yesterday that there were few if any physical shortages of heating oil in the U.S., but heating oil futures prices, which advanced by 2–3 cents a gallon on Tuesday for February contracts, were holding their own yesterday at 85 cents a gallon. Other product prices, however, remained weak.

U.S. braces for another cold blast, Page 2; Lex, Page 8

Florida oranges suffer in freeze

By John Edwards, Commodities Editor, in London

ORANGE-JUICE drinkers might suffer a nasty hangover as a result of the very cold spell in Florida over the Christmas holiday.

The bitter freeze has caused serious damage to the mid-season crop of oranges in Florida, which is the world's biggest orange-juice-producing area. The subsequent sharp rise in temperature is expected to bring further damage because it will speed up rotting of the freeze-damaged fruit.

The U.S. Department of Agriculture said that 85 per cent of the oranges sampled after the freeze had ice in them. Earlier estimates suggest that output may be cut by 25 to 30 per cent from the crop of 168m boxes (of 40 kg each) expected.

It is also feared that the trees might be damaged by the sudden cold and hot spells, as well affecting the developing fruit for the Valencia crop harvested in April and May.

Very little Florida orange juice is exported to Europe these days; it is sold almost exclusively in the U.S., while Brazil dominates the world market. If the Florida cut forces U.S. prices sufficiently high, however, Brazil might be tempted to switch sales to the American market, bringing a general rise in world prices.

UK dealers said yesterday that trading had come to a standstill while everyone waited to find out how badly production in Florida

Continued on Page 8

More cold weather expected, Page 2; Commodities, Page 22

CONTENTS

Hesitant Paris takes over EEC baton

By John Wyles in Brussels

HAD THE hopes of midsummer been realised, the European Community would have been very much more at peace with itself when Greece hands over the presidency of the Council of Ministers to France next Sunday.

Sadly, July's optimism crumbled into the dry dust of disillusion at the Athens summit in early December. Now President Francois Mitterrand and M Claude Cheysson, his Foreign Minister, have six months to try to steer the Ten towards urgent agricultural and budgetary measures.

How they will do it is a complete mystery. "I have the strong impression of confusion and uncertainty in Paris," said one senior ambassador to the Community who, like everyone else, is looking to M Cheysson's policy declaration to the European Parliament on January 18 to shed a litlel light.

Confusion in Paris is understandable because France's responsibilities to the Community have to be balanced against the need to defend and further national interests.

With the EEC budget in crisis because of a shortage of funds, other member-states look to the president of the Council of Ministers to organise the work and help develop the compromises most likely to yield the earliest and the fullest agreements.

But these must cover issues of vital importance to France. Achieving the necessary economies in the common agricultural policy could unleash the political wrath of France's turbulent farmers. Granting Britain a permanent solution to its EEC budget problem will involve a possibly painful bending to Mrs Margaret Thatcher's will. Clearing the way for Spanish and Portuguese membership will cost the French Socialists support among the peasants in the south.

Other member-states wonder, therefore, whether France's desire to cajole and persuade them towards agreement will not be qualified. Perhaps Paris will prefer a final negotiation once the French presidency is over and next June's elections to the European Parliament are out of the way?

Greece, meanwhile, hands over the responsibilities of the presidency with evident relief, fatigue and, among its diplomats, a sense of a job well done. The failure of the Athens summit was not a Greek failure, for all governments were responsible.

At a more humdrum level, Greek ministers and officials overcame their lack of experience and in-depth expertise to produce creditable and occasionally, first class, handling of Community business.

Mr Constantin Simitis, the Greek Minister for Agriculture, made a name for himself as a skilful chairman able to sieze opportunities which led to badly-needed agreements on new arrangements for Mediterranean products anda share-out of the North Sea herring catch.

Mr Grigorias Varfis, the Minister for European Affairs, in a sense carried the Greek presidency by assuming total responsibility for the special negotiations leading up to the summit. He was not rewarded by a final success but it is doubtful whether anyone else would have been.

His role was to keep Greek foreign policy pure from infection from the multilateral approach required by EEC political co-operation. Thus, he prevented a common condemnation of the shooting down of the South Korean airliner, and after that the Community's *political co-operation went into* deep freeze.

Nevertheless, the Athens Government displayed a shrewd judgment of the possibilities and limitations of the EEC *presidency.*

Six months is a painfully short time in Community affairs to make much of an impact, given the poverty of political will to tackle the key agricultural and budgetary problems. Prime Minister Andreas Papandreou and his Government used the presidency, therefore, as a mirror from which to reflect an image of themselves back to the Greek people. Parading as the "leaders of Europe," *no* government can ever have made more effort to wring the maximum domestic political advantage out of the EEC presidency.

The skill of the exercise derived *from the fact that at no* time did Mr Papandreou and his ministers depart from their official view that the Community has serious shortcomings which have a particularly *adverse impact* on Greece.

No such doubts exist in the case of France, although President Mitterrand has hinted strongly over the past year or so that he would like to see a rather different kind of Community developing over the next decade.

In seeking to preside over the important agreements which eluded the Athens summit, he may, in his Gaullist way, be attracted by the idea of laying the foundation stone of the "new" Community.

'OIL SNIFFER' AIRCRAFT CONTROVERSY

Ex-Elf chief appeals to Mitterrand

BY PAUL BETTS IN PARIS

M ALBIN CHALANDON, the former chairman of France's state-controlled Elf-Aquitaine oil group and one of the *country's best-known international* management figures, yesterday appealed to President Francois Mitterrand to put an end to the so-called "oil sniffer (aircraft)" affair.

M Chalandon, who resigned from Elf last June, claimed in an open letter addressed to the Socialist president and published on the front page of Le Monde yesterday that the affair was damaging Elf, France's premier industrial group, was unfounded and intended to damage the reputation of the former government of President Valery Giscard d'Estaing.

M Chalandon's intervention was the latest twist in what is rapidly developing into a major political controversy between the ruling left and the right-wing *opposition parties.* The controversy is over the Elf oil group's role in testing an oil detection system invented by a Belgian aristocrat using airborne electronic equipment. *The tests, carried out between* 1976 and 1979, proved unsuccessful. They had been actively backed by former President Giscard d'Estaing.

While deeply embarrassing for Elf oil group the affair appears to be essentially a political attack against former President Giscard d'Estaing and M Barre, his former prime minister, leading figures of the right-wing opposition and possible candidates in the 1988 French presidential elections.

M Chalandon's dramatic intervention yesterday follows further disclosures in the French satirical weekly Le Canard Enchaine yesterday that M Barre ordered the hushing-up of the unsuccessful tests. M Barre said the "disclosures" added "nothing new" to the affair and that he would treat "with the greatest contempt" any further efforts to exploit the issue for political ends.

The satirical weekly first disclosed the affair earlier this year. In its latest issue it fired another broadside against former President Giscard d'Estaing with a picture of the former President holding a book, presumably the official but confidential report on the oil tests, but showing several diamonds on the cover in reference to the notorious affair *of the diamonds of President* Bokassa of the Central African Republic.

M Pierre Mauroy, the French Prime Minister, is now in charge of the case and is continuing *consultations with leading* figures involved in or affected by the affair.

Among those who met M Mauroy yesterday was M Michel Pecqueur, chairman of Elf. The *Prime Minister also intends to* consult the Defence Minister, M Charles Hernu, as to whether publication of the confidential report on the affair in response to calls from the Socialist Party would be damaging to French national security.

Flick fights demand for back tax

BY JAMES BUCHAN IN BONN

FRIEDRICH FLICK Industrieverwaltung, the West German industrial group at the centre of a financial scandal, yesterday appealed in court against the decision of the Economics Ministry to demand as much as DM 450m (£114m) in back tax.

The company said it had launched a suit in Cologne against the ministry's decision, also made public yesterday, reversing tax exemptions granted to Flick in 1976 and 1978 on DM 780m in capital gains. The sum was re-invested in W. R. Grace, the U.S. chemical and industrial concern.

The appeal has done much to scotch speculation that Flick will seek to sell the 28 per cent share it now holds in Grace, which is worth considerably more in D-Mark terms because of dollar appreciation, than the up to DM 900m paid. Flick, whose balance sheet at the end of 1982 showed DM 600m in group liquidity, said yesterday that the "question is beside the point."

Count Otto Lambsdorff, the Economics Minister, as well as his predecessor, Herr Hans Friderichs, who is now chair*man of Dresdner Bank, face* court proceedings on suspicion of taking bribes from Flick that might have influenced the tax exemptions.

The ministry, which began an internal investigation in November, 1982, when company documents on the Grace investment came into the hands of the Bonn Public Prosecutor, said yesterday it was revoking its decisions because the legally necessary conditions had not "in fact been met."

It said that the necessary technology transfer had not, and was not likely to, come about, that the Grace investment was merely a "financial investment" and that the facts on which the decisions were based were "objectively false."

This decision, which shifts the entire burden of the tax exemptions away from the ministers and on to Flick, was rejected by the company yesterday. It said it was not to blame if planned energy co-operation in the late 1970s had not come about because of weak prices for energy in the 1980s. It also said that the ministry had missed the 12-month deadline for completing its investigation and informing the company.

What is not clear is whether Flick will be required to pay back interest on the unpaid tax if its appeal fails. Nor is it clear how the decision affects Count Lambsdorff.

Polish party to hold national conference

WARSAW — Poland's Communist Party is to hold its first full-scale meeting since an emergency congress in 1981 at the height of the challenge to Communist rule by the Solidarity trade union, official spokesmen said yesterday.

They said the party, which has suffered a sharp fal in membership since 1980, will hold a national conference in March.

The spokesmen said the conference would have the same policy-making powers as a congress and would review efforts to reform the party and restore its supremacy since the crushing of Solidarity under martial law.

The conference will follow elections of party officials at local and regional levels now taking place throughout the country.

The results are expected to indicate the balance of power between party moderates, who are coaxing the country towards economic liberalisation, and warq hardliners, who prefer more orthodox solutions to Poland's economic problems.

Hundreds of officials now seeeking re-election were first elected in 1981 as the party struggled to kep control of the country during a wave of strikes called by Solidarity.

Reuter

Soviet official's visit hints at better ties with France

BY PAUL BETTS IN PARIS

THE IMMINENT visit of a senior Soviet Government official to Paris is increasingly being interpreted as a sign of a revival in relations between France and Moscow.

The French Foreign Ministry confirmed last night that a senior official from Moscow was *due to visit Paris soon, although* it was unable to say who the official would be and when he would arrive. He is, however, expected to be M Ivan Arkhipov, one of the deputy presidents of *the Soviet council. He is likely* to come to Paris in the middle of next month.

Both the visit of the official and recent declarations by President Francois Mitterrand of the need to maintain a dialogue with the Soviet Union have led to rising speculation of improved relations between Paris and Moscow.

These have been cool ever since M Mitterrand adopted a strong stance on the Euromissile issue, refusing to have the French nuclear deterrent counted in the U.S.-Soviet medium range missile talks now interrupted in Geneva.

M Mitterrand raised the need for a dialogue with Moscow during a recent French television appearance and his official visit to Yugoslavia.

But the French Government *has continued* to insist firmly on its missile stand. The latest rapprochement with Moscow is thus being interpreted as an attempt to improve economic relations between the two countries at a time when France continues to have a heavy trade deficit with Russia of about FFr 4bn this year.

While the signs point to an *apparent revival of diplomatic* activity between the two countries, diplomats and officials in Paris point out that contacts between the two countries have continued to be strong in recent months.

Both Mme Edith Cresson, the Trade Minister, and M Charles Fiterman, the Transport Minister, have led French delegations to Moscow recently. M Andrei Gromyko, the Soviet Foreign Minister, also visited Paris in September on his return from the European security meeting in Madrid.

These contacts suggest that relations have continued to be maintained at an active working level, despite the expulsion by France of 47 Soviet diplomats accused of spying last spring from Paris and the differences on defence issues.

French government officials last night also termed as speculative, at least for the moment, Moscow's apparent interest in acquiring sensitive technological equipment from France to relaunch its civil nuclear programme.

U.S. braced for another cold blast

By Nancy Dunne in Washington

A THAW crept over the U.S. on Wednesday after one of the coldest Christmas seasons of the century.

But the U.S. weather service *warned that another blast of* cold from the Arctic was on its way, to be succeeded by more seasonal temperatures over the weekend.

The massive cold wave, which broke December records in more than 50 cities, killed more than 300 people in two weeks, menaced the Florida and Texas citrus crops as well as fish on the Texas Gulf coast, and coated highways with treacherous ice. Power failures and burst water pipes drove thousands from their homes.

Even as the weather eased on Wednesday, storms dumped snow and rain from the *Rockies to the Mississippi* valley and south to the Gulf coast. Harvest crews raced against rising temperatures to salvage freeze-damaged Florida and Texas oranges for juice. Citrus processing plants began 24-hour operations to process the fruit before it rotted.

Texas citrus and sugar-cane growers put losses at $121m, and the Florida Citrus Commission scheduled an emergency meeting for Thursday to consider an embargo on fresh citrus shipments so that no freeze-damaged fruit reaches consumers.

The heavy rain and melting ice has caused minor flooding in north and south Carolina and Idaho, threats of ice jams in Oregon and flood warnings in Mississippi. But serious flooding is not expected until the spring, *according to Mr Ed Carlstead,* head of the forecasting division of the National Meteorological centre.

The weather has pushed up heating oil prices with whole*salers and dealers scrambling* to replenish low inventories. The cold has curtailed operations of at least two Gulf coast refineries, adding further upward pressure on prices.

Citgo Petroleum announced on Tuesday that it is rescinding its previously announced $1.50-a-barrel reduction in the prices it pays for crude oil.

Emergency shelters for the homeless were hard-pressed to meet all requests for help. Six homeless people froze to death in New York City, where a Christmas Day reading of 9 degrees Fahrenheit set an all-time record for the day. Despite the thaw, 33 states were still maintaining alerts.

Alfonsin rescinds military amnesty

By David Welna in Buenos Aires

SR RAUL ALFONSIN, the Argentine President, signed into law late on Tuesday night the repeal of an amnesty declared by the former military government that protected members of the armed forces from prosecution for crimes related to the disappearance of more than 7,000 Argentines under military rule.

It was the first law to be signed by Sr Alfonsin, who took office less than three weeks ago, and it followed overwhelming votes in both chambers of the newly formed Congress supporting the amnesty's repeal and nullification.

The repeal clears the way for prosecution of the many high-ranking members of the *former military government* who have been indicted on numerous charges since power was turned over to elected authorities.

The nine members of the three military juntas that ruled between 1976 and 1980 can now be tried under summary courts martial by the Supreme Council of the Armed Forces, the highest court in the military judicial system.

The trial was ordered by President Alfonsin, who is also commander in chief of the armed forces, three days after he took office. The men *are charged with murder and* torture in connection with the thousands of disappearances

Human rights groups here have sharply criticised the fact that the former junta members are to be tried by their military peers.

But Government spokesmen characterise the summary courts martial as a mere formality necessary to uphold the constitutionality of the prosecutions. They stress that the court martial verdicts will be appealed in civilian courts by Government prosecutors, and that new evidence will be admitted.

Meanwhile, officials at the Defence Ministry and the armed forces high commands say that in the past few days they have been "showered" with hundreds of judicial *summonses related to the* crimes committed by the military in its campaign against leftists following the 1976 coup.

General Reynaldo Bignone the outgoing military President, is among the military men who have been summoned by civilian courts. Today he is to testify before a court that indicted him for illegal deprivation of liberty in the case of a physicists who disappeared in 1978.

General Bignone has also been indicted by a court investigating the disappearance of two political activists in 1976. *He* and *20* other generals have been forbidden to leave the country while investigations into the disappearances continue.

In a related development, *grave-diggers continued to* search yesterday for more unidentified bodies buried in municipal cemetaries soon after the 1976 military takeover.

As of yesterday, 29 bodies had been exhumed since digging began Monday. The cadavers are believed to be the remains of people who disappeared under military rule, and several of the skulls were found to be perforated by bullets.

U.S. hopes Arafat will renew support for peace talks

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

THE U.S. is now cautiously hoping the evacuation of Mr Yassir Arafat, the Palestine Liberation Organisation leader, and his forces from Tripoli could lead to new moves towards wider Middle East negotiations as envisaged under President Ronald Reagan's peace plan of September 1, 1982.

It is hoped Mr Arafat will recognise that the PLO under his leadership can no longer aspire to a military victory over *Israel, and, as a result,* turn towards the moderate Arab states with a view to seeking a political solution to the Palestinian problem.

Mr Arafat's meeting in Cairo last week with President Hosni Mubarak of Egypt is seen in Washington as an encouraging first step, but no more than that. Officials here say "major hurdles" remain to be overcome.

Ideally, in Washington's view, Mr Arafat would renew contact with King Hussein of Jordan, allowing the King to join the stalled U.S.-sponsored negotiations between Israel and Egypt on Palestinian autonomy. The King's approach would have Palestinian backing and the Palestinians would have some form of representation at the negotiating table.

King Hussein declined to join the talks last April after Mr Arafat failed to swing more militant elements in the PLO behind such a move.

Now, after his defeat in *Lebanon,* Mr Arafat has obviously parted company with most of the hardliners, and no longer subject to their influence.

Washington is looking for a further signal of Mr Arafat's intentions from a meeting he was holding in Sanaa, North Yemen yesterday with some of his top military advisers.

For the time being, however, Washington is not playing an active role—simply saying it would regard a new relationship between Mr Arafat, Mr Mubarak and King Hussein as "a promising development."

U.S. officials stress, however, that before Washington can open formal contacts with Mr Arafat, and welcome him into the peace process, he will have to recognise Israel and make public statements renouncing *many of his past militant* views. Washington is by no means sure that he will do this.

Mr Arafat will also, in Washington's eyes, have to accept that the PLO can only participate in the wider peace talks under Jordan's wing, perhaps as part of a Jordanian delegation.

Only then will Washington be prepared to start putting pressure on Israel to join the wider talks. Israel has rejected Mr Reagan's *September* initiative, which called for the wider talks, declined to "freeze" jewish settlements on the occupied West Bank — a key factor for King Hussein — and only last *week denounced the Arafat*-Mubarak meeting.

Washington admits that both Israel and Mr Arafat will have to come a long way towards each other before its latest hopes can be fulfilled. There is still, however, U.S. officials say, "a glimmer of potential."

Lebanon role review call

WASHINGTON — A Defence Department investigation into the suicide bombing that killed 241 U.S. servicemen in Beirut said yesterday that there is an "urgent need" to review the entire U.S. military mission to see if "alternative means" can be found to achieve U.S. goals in Lebanon.

It also criticised flaws in security and the military chain of command which, it said, opened the way to bombing.

It recommended that disciplinary action should be considered against U.S. officers. President Ronald Reagan has rejected that conclusion, however. He has himself accepted blame for the tragedy and rejected punishing individual officers.

AP

Italy says peace-keeping troops will stay in Beirut

BY ALAN FRIEDMAN IN ROME

THE ITALIAN Government last night said its troops would remain in Lebanon and confirmed that it had communicated to Washington that its policy was unchanged.

A spokesman for Prime *Minister* Bettino Craxi said the message to Washington had followed President Sandro Pertini's call last Friday for the withdrawal of Italy's 2,100-man contingent in Lebanon. "The President's statement is his own. Of course we cannot ignore such an *important statement, but we have* no plans to take action without consulting our allies," said the spokesman.

President Pertini's comments last Friday, which included a *scathing attack on the Lebanon* policy of the Reagan Administration, have embarrased the Craxi Government, which so far has only hinted at a "restructuring" of the Italian contingent. The President, who is non-executive, said the Americans are in Lebanon "to defend Israel and not peace." He accused the Reagan Administration of "bombing Lebanon with tons of bombs."

Western diplomats in Rome regard the Pertini statement as an attempt to exert public pressure on the Government. Two weeks ago, Sig Giulio *Andreotti, the Foreign Minister,* indicated that Italy intended to halve its contingent to around 1,100 men. A reduction in the force is thought likely in response to both domestic pressure and to what Italy sees as the distortion of the original mission of the peace force by the aggressive actions of the U.S. and French contingents.

For his part, President Pertini has said he will repeat his call for the withdrawal in his traditional year-end televised message. The irony, according to one diplomat, is that the uproar caused may now make it harder for the government to act quickly to reduce its troop numbers in Lebanon.

The momentum behind President Reagan's moves to lift controls on private companies is slowing. **Stewart Fleming** reports

Fight goes on for deregulation of U.S. financial institutions

CHEERED ON by the White House, Washington's politicians and civil servants have been riding a deregulation roller coaster since President Reagan stated his aim of taking government "off the back" of private companies.

Nowhere has the transformation been more marked than in the financial sector. Controls on interest rates have been swept away and a radical altering of both the structure of competition, and, in the view of many economists, the way in which the U.S. economy responds to discipline by the Federal Reserve Board, the central bank, has taken place.

The next area earmarked for action was to break down the barriers between different forms of financial institutions such as insurance companies and banks. But today the momentum behind the deregulation wave appears to be fading, at least temporarily.

Senator Jake Garn, chairman of the Senate banking committee, and one of the most vocal Congressional leaders arguing for a change in the laws governing financial companies has certainly not given up the fight.

Last month he introduced new legislation aimed at allowing banks and other companies such as those in insurance and real estate to combine. But he had to compromise on some more ambitious proposals and even avid supporters concede that the new legislation will have trouble getting through Congress.

Its critics give it no chance at all before next year's Presidential election. They even doubt whether a slimmed-down version, to allow commercial banks to underwrite municipal revenue bonds for example, could clear Congress.

Recently there have been more signs of a shift in the atmosphere surrounding financial services deregulation. The Fed issued formal rules which will restrict the growth of "non bank" banks, the institutions controlled by non-banks which carry out a restricted range of banking activities.

The Fed move will limit the scope of the "non bank" banks' asset and liability management activities, a body blow in the view of some analysts to the activities of companies such as *the retail stores chain J. C.* Penney.

"They have been waiting to pull that trigger for months," was the reaction of one Congressional staff member who suggested that the central bank had sniffed the political wind and decided it was safe to act.

Another indication of the hurdles facing the next stage of financial sector deregulation came when officials privately conceded that the task force headed by Vice President George Bush which has been looking into ways to streamline the supervision of the banking industry has been deadlocked.

It is suggested that the U.S. *Treasury, which has vigorously* supported deregulation, is backing away from the task force's ideas of stripping the Federal Reserve of most of its bank supervisory powers, apparently on the grounds that the proposal is not the radical consolidation of bank supervision which the Treasury feels is needed.

The Fed itself has been fighting hard to hang on to its supervisory role, on the grounds that it needs to be able to take the temperature of the banking industry to carry out its responsibilities in setting monetary policy.

The clash of interests in the industry on deregulation has also sharpened lately and is tending to slow the legislative momentum. Long-standing conflicts between larger and smaller banks, which initially impeded the big banks' push for the freedom to cross state boundaries, are unresolved and remain a barrier to the big money centre banks' ambitions.

These banks are particularly irritated by a new strategy their smaller rivals have adopted to protect themselves from giant predators. Several states in New England, prodded by their banks, have introduced new regulations to permit interstate banking on a regional scale, with the region carefully defined to exclude New York, home of giants such as Citicorp. Within the region, banks are combining and strengthening their operations. Citicorp, fear*ing that the pattern will spread* to other regions, filed suit this month to try to block such regional banking agreements.

Opposition to proposals such as those in the Garn Bill to allow banks to move *into fields* such as insurance, real estate or securities activities is no less vigorous and well-organised. The independent insurance brokers, rated as one of Washington's most *powerful and* effective lobbies, have lined up to try to block such diversification.

The banks are finding that the deregulation envisaged in Congress is proving no more smooth a path to their goal of providing diversified financial services than their efforts to break down the geographical barriers to nationwide banking *have proved.*

With an election approaching, political considerations are cooling Washington's ardour for a further shake-up in the financial services sector. The break-up of *the Bell telephone system* has alerted Congress to the costs as well as benefits to their constituents from deregulation. Voters are not responding well to the evidence of a deterioration in their telephone service accompanied by a sharp rise in local service charges.

Some *economists are arguing* that interest rate deregulation is one of the factors accounting for the historically high level of interest rates today. The evidence is inconclusive, but it is providing food for thought, and grounds for delay.

Reasons for delay are not hard to find. There is, it is pointed out, no urgent consumer interest behind the drive for financial services deregulation like the pressure from savers for a fair return on their funds which fuelled interest rate deregulation demands.

In addition, a deregulation Bill supported by one segment of the industry is likely to be opposed by another, in a year when politicians would like to gather financial support from both.

But the *inaction* is now merely the equivalent of sticking a finger in a dyke. The dyke is already cracking, as companies find ways of sidestepping old laws which no *longer fit today's realities.*

Bush task force backs 'functional regulation'

BY PAUL TAYLOR IN NEW YORK

THE TASK FORCE, set up by the Reagan Administration a year ago to examine financial deregulation in the U.S., has endorsed proposals which would change or simplify the rules covering financial institutions in the U.S.

Nevertheless, as expected, the task force "summit meeting," which had already been delayed because of internal disagreements, failed to agree on a radical restructuring of the regulating bodies themselves.

The taskforce, led by Vice President George Bush, met last week and approved a general plan under which financial institutions would be regulated according to the *business they undertake*—rather than, as now, their historical "title."

This endorsement of "functional regulation" is designed to keep the regulatory framework in step with the increasingly blurred market distinctions between banks, securities firms, savings associations, insurance companies and others.

Among the task force proposals a bank's securities activities would be regulated solely by the Securities and Exchange Commission. Responsibility for enforcing anti-trust laws in the banking *industry would* become *the* responsibility of the Justice Department, instead of being shared by five agencies.

New guidelines would be laid down to determine whether a *thrift institution* should be treated, and regulated, as a commercial bank or come under the supervision of the Federal Home Loan Bank Board if its business is primarily *providing mortgages.*

However, the task force failed to agree on the more controversial issue of a realignment of the regulatory agencies themselves. Under a *detailed plan* prepared by the task force staff, the Federal Reserve Board would be stripped of many of its regulatory powers over bank holding companies in the U.S. *However, this* move has been strongly resisted.

As a result of this impasse, the 12-man task force will meet again early in January in an attempt to resolve the *outstanding issues before sub*mitting recommendations to the President, and to Congress.

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OVERSEAS NEWS

Spending cut plan poses threat to Shamir Government

BY DAVID LENNON IN TEL AVIV

ATTEMPTS TO reform Israel's tottering economy are threatening to bring down the three-month old Government of Mr Yitzhak Shamir. The Cabinet will meet in special session tomorrow to discuss drastic budget cuts which are sharply opposed by some of the junior coalition partners.

Reports that the proposed reduction in public spending would include a halt to the controversial programme for the building of Jewish settlements on the occupied West Bank yesterday led the extreme right-wing Tehiya Party to threaten to quit the coalition.

Faced with 190 per cent annual inflation, a balance of payments deficit of more than $5bn, and a foreign debt aporoaching $30bn, Mr Yigal Cohen-Orgad, the Finance Minister believes severe steps are necessary.

But Mr Cohen-Orgad, who took over the Treasury portfolio less than three months ago, is facing a revolt within the coalition. In addition to the settlements issue, plans to reintroduce high school fees led the key National Religious Party to threaten to bring down the Government.

The coalition of Mr Shamir controls 63 per cent of the 120 seats in the Knesset. The defection of the three-member Tehiya Party would severely hamper its operations and the loss of the six members of the National Religous Party would cause the collapse of the Government.

In an effort to keep his shaky coalition intact the Premier last night assured Tehiya that there would be no freeze on settlements.

But if the Premier allows his junior coalition partners to veto essential economic measures, the deterioration of the economy could develop into a spiral from which it would be impossible to extricate the country without outside assistance.

The threatening rise in unemployment led yesterday to the closure of Eilat, Israel's Red Sea port. The one day strike was called in protest over the closure of the nearby Timna coppermine which will add hundreds more to the already swollen unemployment list in the town.

Israel seeks to curb casualties in Lebanon

BY OUR TEL AVIV CORRESPONDENT

THE ISRAELI ARMY is conducting an important review of its security policy in southern Lebanon to try to reduce the casualties inflicted on its forces by Lebanese and Palestinian guerrillas.

More than 560 Israeli soldiers have been killed and 3,500 wounded since Israel invaded Lebanon in June, 1982, in an operation originally designed to last 48-72 hours.

General Moshe Levy, the Chief of Staff, said yesterday there was no question of an immediate or complete withdrawal. A continued military presence aws vital to ensure the security of Israel's northern border.

But the army is worried by the almost daily casualties among soldiers who are exposed to incessant guerrilla attacks. It is feared that these attacks will be stepped up now that rival PLO factions have ended their fighting in Tripoli.

One of the worst trouble spots is the coast town of Sidon and it is possible that the Israeli army may withdraw further south.

This was seriously considered at hte time of the Israeli withdrawal from the Beirut area and the Chouf Mountains in September. That was also designed to reduce casualties, but the guerrillas appear to have moved south also.

Another possibility, according to Gen Levy, is to close all the bridges across the Awali River, the northernmost line of Israeli occupation of Lebanon. However, this may be rejected because it would seal all of southern Lebanon from Beirut and might be widely interpreted as de facto partition.

Jumblatt rules out pact with Gemayel

By Our Middle East Staff

THE LEBANESE Druze faction leader, Mr Walid Jumblatt, said in Damascus yesterday that it had become impossible to reach an agreement with President Amin Gemayel on national reconciliation.

His statement appears to rule out any chance of an early resumption of the Geneva talks between the Lebanese factions. Mr Jumblatt accused the Government of allowing the army to side with the Christian Phalange militias in recent fighting in the south of Beirut.

"Any agreement with Amin Gemayel and the Phalangists has become impossible. I have no hopes left of continuing the dialogue with the Lebanese administration," said Mr Jumblatt.

He promised that the "nationalist forces" would carry on their struggle to "regain independence, freedom and sovereignty," without specifying whether this would include military action.

● In Damascus, the death was announced yesterday of Mr Ahmed Iskander Ahmed, the Minister of Information since 1974 and one of President Assad's closest advisers.

His death from a brain tumour is a serious blow to the regime, both domestically and internationally where he acted as the Government's principal spokesman. There are now four ministerial portfolios vacant and significant government changes may be expected when President Assad fully regains his health.

● Mr Yassir Arafat, chairman of the Palestine Liberation Organisation, is expected to call a meeting of the central committee of Fatah, the main guerrilla group, within the next few days. He will be seeking to reassert his authority following sharp criticism of his visit to Egypt in contravention of previous Fatah decisions.

The talks will be held in Tunis, following yesterday's meeting of Fatah military commanders in Sanna, North Yemen. Mr Arafat is also considering calling a meeting of the Palestine National Council.

He has said he expects the PNC meeting to be held in Algiers during February.

Chris Sherwell assesses the Filipino President's political prospects

Concessions keep Marcos in power

AS the Philippines headed for one of its bleakest Christmases in years earlier this month, scarcely a day passed without President Ferdinand Marcos appearing on television from his mountain retreat in Baguio, north of Manila.

Typically, he would announce something positive, a loan from an unnamed foreign bank, an oil find, a new voter registration, a carckdown on hoarders, a directive to this minister or that official.

The clear intention was to build on image of a man fully in control, unhampered by illness and solving difficult problems, and to boost public morale as economic hardship settles in and political uncertainties persist. That the theatricals are necessary is an indication of the crisis his leadership faces four months after the brutal assassination of the popular opposition leader Benigno Aquino.

Economy awry

But if Mr Marcos himself can still stand before the assembled poor of Manila, as he did at Christmas, and command support by condemning the rich, it is also clear that all is far from well in the Philippines now that the economy has gone awry.

The loss of confidence at home and abroad resulted in a flight of capital which has led to near-default on foreign debt repayments, brought factories to a halt and provoked panic-buying in the shops. At the same time the tensions unleashed by the Aquino slaying spotlighted an array of political demands from the legal opposition, Catholic Church and business community which have been backed by Mr Marcos's closest foreign ally, the U.S.

These groups wanted a full, independent inquiry into Aquino's death, free and fair assembly elections when the polls fall due next May and a clarification of the vexed succession question in order to end worries caused by the prospect of President Marcos's early death from his mystery debilitating illness.

On the face of it Mr Marcos has been forced ignominiously to concede on all three fronts:

● His own preferred panel to investigate the Aquino killing had to resign after it came under withering attack from all sides. A new commission, independent though still unrecognised by the Aquino family, is now going deliberately if slowly about its business in a stuffy auditorium in Manila's Quezon City.

● Elections will be held next May as planned, but on a new constituency basis which ought to encourage more opposition candidates to stand. The polls will also be based on an updated voters roll because President Marcos couldn't refuse a Pesos 100m (£5m) offer from the local business community to pay for a new registration.

● The constitutional amendment which was finally agreed on the succession, and which is to be put to a referendum on January 27, goes completely against President Marcos's previous plans. It recreates the office of vice-president as presidential successor, a post to be filled in the next presidential elections due in 1987. Should Mr Marcos die before then the Speaker of the Assembly would take over and organise an early poll.

To be set against this almost embarrassing series of concessions, however, is the fact that Ferdinand Marcos is a born fighter who has a reputation for performing best in a crisis and remains a long way from giving up. Knowing that he must give ground in order to make ground, he has acted to win vital breathing space and more room for manoeuvre.

For example, the establishment of the Aquino inquiry conveniently took weeks, and it is difficult to avoid the impression that it has inadequate administrative resources and lacks sufficient power to subpoena and protect witnesses. The panel also has yet to hear the testimony of the men in whose hands Aquino was shot as he descended to the airport tarmac that fateful day.

By yielding on matters like the succession, moreover, he has cleverly avoided dampening speculation about the ambitions of his wife, Imelda, who wields tremendous influence within government as Minister of Human Settlements and governor of Metro-Manila. For what remains unclear about the changed succession arrangements is who would be the speaker of the assembly after the May elections. One suggestion being put about is that it could be Imelda Marcos.

On defensive

As for Mr Marcos's plans for the elections themselves, these have thrown the opposition further on to the defensive to the point where, at the moment, claims by his New Society Movement that it will win a convincing victory in the polls tend to ring true.

One wing of the opposition—the Unido coalition of opposition groups and the southern grouping known as PDP-Laban—is inclined to participate in the elections but cannot bring itself to decide and probably sees advantage in waiting. It knows withdrawal is a potent if blunderbuss weapon and that Mr Marcos needs to legitimise the elections through opposition participation.

The other wing, known as the Nationalist Alliance and spearheaded by anti-U.S. figures like Mr Lorenzo Tanada and Mr Jose Diokno, has already announced a boycott of the elections, saying they are an attempt to deceive the public into thinking democratic processes have returned.

But the real Achilles Heel for the Marcos government is the economy. Although farmers in this predominantly agrarian country have benefited in recent months from higher copra prices, the impact in the towns and factories of the foreign exchange drought has been sharp, with shorter working weeks, mass lay-offs and shortages of certain goods.

Worse, Filipinos have yet to learn that the rescue package now being negotiated with the International Monetary Fund, commercial banks and foreign government marks the start of a bleak era of austerity, and not the end as the government has tended to suggest.

One of President Marcos's greatest strengths now is that, with the opposition rudderless, he appears to be the only man with the skill and mastery over competing interests and a broad enough power base to see through the sort of tough programme necessary to put the country back on its feet. That his government might be a key factor behind the original deterioration is seen by most bankers as mere history.

Yet the question remains whether he can physically survive the pressure of tackling such difficulties with the speed required—and at the same time retain his existing level of political support and fend off contenders for power among those closest to him.

If he can, his reputation for beating the odds will be even more invincible than now.

Nigeria to present austerity budget

By Quentin Peel, Africa Editor

PRESIDENT Shehu Shagari of Nigeria is due today to present an austerity budget for 1984, which is expected to include tighter import restrictions, cuts in Government spending, and reforms of key institutions, including the Central Bank.

The budget is intended to go a long way towards meeting the requirements of the International Monetary Fund, with which the Nigerian Government is negotiating an extended three-year loan of more than $2bn. However, it is not likely to include devaluation of the naira, which is the main point of disagreement with the Fund.

The further import restrictions are expected to take the form of an increase in the number of goods subject to specific import licences — currently some 230 categories —and a decrease in what can be shipped under open general licence.

The Government's aim is to achieve equilibrium on the current account of the balance of payments in 1984, in spite of the sharply lower export earnings from oil. That would mean a cut in imports from the estimated N10bn of 1983, according to senior officials, to no more than N7bn next year.

Government revenues will also be reduced because of the drop in oil income as a result of the price cut last February from $35.50 to $30 a barrel for Nigerian crude, and a production level not expected to exceed the Opec-stipulated quota of 1.3m barrels a day.

Petrol and electricity prices are expected to rise as government subsidies are reduced, while a range of state-owned corporations will also be forced to balance their books in the coming year. President Shagari may take the opportunity to announce which of those parastatals are to be sold off to the private sector.

Another key reform is expected to be announced for the whole foreign exchange allocation system administered by the Central Bank of Nigeria. The most widely-mooted change would be for the allocation of so-called M forms—which give a Nigerian importer the necessary authorisation to obtain foreign exchange—to be decentralised from the Central Bank to the commercial banks.

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Angola denounces S. African 'atrocities'

BY OUR FOREIGN STAFF

PRESIDENT Jose Eduardo dos Santos of Angola yesterday accused invading South African troops of attacking military and civilian targets up to 120 miles inside the country.

In a statement issued in the Angolan capital of Luanda, the President denied South African claims that their ground and air forces had hit camps and training centres belonging to guerrillas of the South West African Peoples Organisation (Swapo) fighting for the independence of Namibia.

"Our armed forces, Angolan towns, and defenceless population are the principal victims of these military atrocities," the president said.

A string of southern Angolan towns, including Cassinga, Cahama, and Mulondo, have come under attack in a major South African operation which started on December 6. Pretoria has claimed that the purpose is to pre-empt a 1,400-strong Swapo incursion into Namibia from Angolan bases, timed to coincide with the start of the rains.

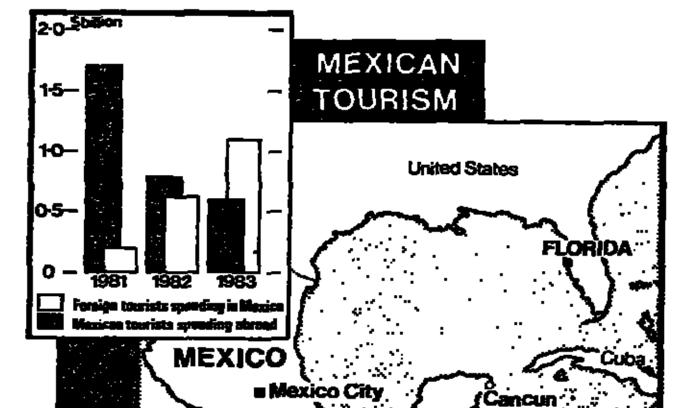
The Angolan President said that dozens of Angolans have been killed and hundreds wounded in the attacks. General Constand Viljoen, chief of the South African Defence Force, said earlier this week that five of his soldiers had died and one was missing.

Angola claims to have shot down four South African planes, including two Mirage jet fighters which took part on the Christmas Day attack on Cahama.

WORLD TRADE NEWS

Devalued Mexican peso boosts the charm of cheaper tequila

BY WILLIAM CHISLETT IN MEXICO CITY



ACAPULCO'S FAMOUS cliff divers are once again plunging into the Pacific Ocean before large crowds of tourists. Debt-ridden Mexico is attracting back its visitors whose dollars are now worth so many more pesos.

Two years ago, at the height of Mexico's oil boom, the peso was greatly overvalued at 25 to the dollar. Tourists went in the other direction—taxi drivers could afford to take their families to Disneyland in the U.S. and the upper middle class thought nothing of shopping in Texas at the weekend.

Now, with 156 devalued pesos to the dollar, the tourist industry has bounced back. Reasonable quality hotel rooms in Acapulco cost $16 (£11) a day, with a view across the crescent-shaped bay. A lobster dish costs $4.

Tourism is Mexico's second largest net earner of foreign exchange after the oil industry and is expected to register a surplus of $1.1bn this year compared with $618m in 1982 and a mere $189m in 1981, according to Banamex, the state bank.

Numbers of tourists are estimated to reach 4.5m, up from 3.7m last year, and they are expected to spend about $1.7bn, compared with $1.4bn in 1982.

The number of Mexicans spending their holidays abroad is likely to plummet to 1.7m from 2.6m in 1982 and a record 3.9m in 1981. They will spend $600m compared with $788m last year and $1.7bn in 1981.

Only those Mexicans who got their money out of the country when the peso was overvalued —$15bn of Mexican money is thought to be in foreign bank accounts—can now afford to travel abroad.

In a country where 40 per cent of the 19.5m workforce is estimated to be unemployed, the tourism industry has assumed social importance. One of the few growth sectors, it presently employs about 714,000 people.

If Acapulco, Mexico's most famous resort, is thriving then Cancun, the new exclusive resort in the Yucantan with miles of white sand beaches, is having an extraordinary boom. The average occupancy rate in Cancun's hotels in the first half of this year was 84 per cent compared with 60 per cent in 1982. Foreigners occupied 70 per cent of the rooms compared with 50 per cent in the first half of 1982.

Most Mexicans can no longer afford to go to Cancun. Air fares, petrol and hotel prices have risen by over 150 per cent, far in excess of salaries. A top-class hotel room in Cancun now costs $115 a day, a sum affordable only by "gringos."

Mexicans prefer to spend that amount of money abroad. It now costs almost the same amount to fly to Florida as to Cancun. But most Mexicans are being forced to stay at home and the sight of holiday resorts saturated with foreigners could become provocative.

Mexicans were told earlier this year to be nice to foreigners, because the country needed their money, but they are s[illegible]tive about foreign domination. (The U.S. took away half of the country's territory in 1848.) The Ministry of Tourism has therefore started a programme of very cheap package tours for those who can no longer afford a holiday.

Rundown hotels on the older Caleta Beach area in Acapulco are being done up. Mexico has now become so attractive that many tourists with low incomes are visiting the country again "staying in smart hotels and eating hamburgers" as one Mexican banker, priced out of Cancun, put it.

Although numbers have risen, average per capita tourist expenditure was down to $32 a day in May compared with $37 a day in May 1982. Fonatur, the government agency which finance tourism development is placing greater emphasis on renovating and expanding old hotels rather than building new ones to cope with the increased demand, Fonatur is making credit available at less than current commercial rates of interest and allowing loans to be repaid over 15 years with three years' grace.

U.S. halts meat sales from 14 countries

FOURTEEN countries will be barred from shipping meat and poultry to the U.S. from January 1, Reuter reports from Washington. The Dominican Republic, El Salvador, Haiti, Mexico, Nicaragua, Panama, Honduras, Romania, Sweden, Finland, Belgium, Switzerland, Ireland and France are affected by the ban, the U.S. Agriculture Department said.

In July, 23 countries were advised that their meat and poultry products would be banned from the U.S. unless they conformed with U.S. inspection rules.

Although the nations involved provide a small part of U.S. meat supplies, the meat exports represent an important source of foreign exchange for Latin American countries and for Romania.

Japanese act on unitary taxation

Japan's federation of economic organisations (Keidanren) is to send a mission to Washington, led by Mr Akio Morita, chairman of Sony, to oppose unitary taxation, AP-DJ reports from Tokyo.

California and 12 other U.S. states currently require subsidiaries of foreign companies to pay state taxes based upon the worldwide earnings of the parent concern, rather than on the earnings of the subsidiary alone.

Officials of the 324-member federation said the mission will visit the U.S. before a committee led by Mr Donald Regan, the U.S. Treasury Secretary, reports to President Ronald Reagan.

Taiwan plan to cut trade surplus

Taiwan would encourage businessmen to set up plants in the U.S. and sell some of the products they produce there back to Taiwan in an effort to reduce its trade surplus with the U.S., Chao Yao-Tung, the Economics Minister, said yesterday, Reuter reports from Taipei.

Officials suggested that Taiwan would encourage investment in petrochemical, chemical and machinery industries.

Talbot's exports of car kits to Iran 'secure' for 1984

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

BRITAIN'S biggest car export contract—the supply of car kits worth around £150m a year by Talbot UK to Iran—seems secure for 1984.

According to Talbot, part of the Peugeot group, the Iranians have asked for 120,000 kits to be shipped in 1984.

In 1983 roughly 100,000 kits, based on the long-defunct Hillman Hunter saloon, have been shipped, representing a major recovery from the previous year when financing problems on the Iranian side caused exports to slump. Spare part sales also nearly dried up.

During 1982 only 37,000 kits were shipped and this had a drastic impact on Talbot UK's car output—the Iran kits are counted as British production because, according to Talbot, they represent about 85 per cent of the finished car.

In 1982, Talbot UK's car output slumped from 117,500 to 56,200. Output for 1983 will be about 120,000 of which 90,000 were destined for Iran leaving 30,000 (Alpines, Solaras and Horizons) for domestic sale.

Recovery in the Iran business was the major factor in Talbot's financial turnround. The company reported a £1.5m net profit for the first half of 1983 against a £40.6m loss in the same months of the previous year.

The signs are that Talbot will report a profit for the full year compared with a loss of £54.8m for 1982. Not only did Iran take more kits, there was also an order for extra spare parts worth £10m of which about £8m will have been delivered in 1983.

The car kits are built at Talbot's factory at Stoke, Coventry. Mr George Turnbull, chairman of Talbot UK, considers "there is still five years of good business to be had from Iran."

However, there remains a question mark over the future of Talbot's Ryton, Coventry, plant where the rapidly ageing Alpine, Solara and Horizon models are produced.

Mr Turnbull has said that there will be further investment at Ryton for the introduction of a new model there.

Finland to buy more oil from Soviet Union

By Anthony Robinson

FINLAND HAS agreed to increase its crude oil imports from the Soviet Union by 1m tons to 9m tons in 1984 and also import more Soviet coal, timber, methanol and copper. Higher imports will allow Finland to raise the level of exports to maintain an overall balance on two-way trade.

Lower world oil prices over the past two years have led to a Finnish surplus on trade with the Soviet Union which Soviet trade negotiators said should be eliminated either by lower purchases of Finnish exports or higher imports of Soviet goods.

Finland has opted for the second course although part of the 9m tons of oil and 3m tons of refined oil products supplied by the Soviet Union is expected to originate from Libya and will in turn be off-loaded by Finnish oil traders onto the spot market for cash.

The 1984 Soviet-Finnish trade protocol provides for a two-way trade turnover of FM 37.5bn (5bn roubles) with Finnish exports worth FM 18.5bn.

Moscow awards milk packaging deal to Italians

By Anthony Robinson

THE ITALIAN food packaging equipment company Fata has won a $21m contract from the Soviet Union for supply of an automatic milk packaging line.

The new line will be set up in a modern dairy complex outside Moscow. The contract is one of many being negotiated within the overall framework of the Soviet Food Programme, approved in May 1982, which provides for massive investment in food packaging, freezing and processing equipment in order to reduce the enormous wastage of food products

The Soviet Union started replacing glass milk bottles with paper cartons 20 years ago and imported automatic lines from Finland and other Western countries. Shortage of spare parts, poor quality local supplies of paper and lack of maintenance have resulted in a steady decline in quality leading to heavy wastage through leaking and torn cartons.

Indonesia boosts island as key growth centre

BY CHRIS SHERWELL, RECENTLY IN BATAM

THE ECONOMIC development of the Indonesian island of Batam, a few miles across the narrow strait from Singapore, has passed an important milestone with the opening by President Suharto of an airport and other key infrastructural facilities.

Indonesia has already attracted more than U.S.$60m worth of foreign investment and a dozen foreign companies to the island, from the U.S., Europe, Japan and Singapore itself, and is keen to attract more. The Government is emphasing its strategic location, and says its development as a free-trade zone would be complementary to rather than competitive with Singapore.

The island is two-thirds the size of Singapore, and already has an impressive network of tarred roads. During his visit, President Suharto announced an upgrading of its administrative status which allows a larger development budget, and viewed the location of its seaports, power plants, telecommunications facilities and reservoirs and water treatment works.

President Suharto also flew to Singapore for an 80-minute meeting with Mr Lee Kuan Yew, Singapore's Prime Minister, for talks which included development of Batam. The two countries have a cooperation agreement over Batam, not least because Singapore is ideally placed both to help the island's development and to benefit by it.

One possibility being discussed is that some of the important fabrication work for Singapore's mass rapid transit (MRT) metro project be done in Batam. Mr Michael Fam, head of Singapore's MRT Corporation, attended the Batam celebrations on Tuesday.

Such cooperation between the two countries has been seen in the past. Work on the huge roof for a hangar at Singapore's Changi international airport was done in Batam.

Loans arranged for Malaysian cement plant

By Wong Sulong in Kuala Lumpur

A CONSORTIUM of Malaysian and foreign insurance companies and banks has signed an agreement to provide loans amounting to Ringgit 187m (US$81m) for the construction of 1 per cent above the base cement plant.

The loans, for a period of 10 years, are in three portions.

The manager and prime agent for the loans is Amanah Chase Merchant Bank. The three foreign banks participating are the National Westminster and Mitsubishi Banks—each providing $12m—and the Midland Bank which is providing $9m.

The cement company, Perak-Hanjoong Simen, is 60 per cent owned by the Perak State Economic Development Corporation, while the remaining 40 per cent is held by the Korea Heavy Industries.

The joint venture is building a 1.2m tonne integrated cement plant at Padang Rengas which is expected to be operational by 1985.

West Germans see trade with Arabs fall sharply

BONN—West German trade with the Arab world fell drmatically in the first three quarters of 1983, according to figures issued by the Hamburg-based Near and Middle East Trade Association.

In the period January to September West Germany exported goods worth a total of DM 12.9bn (£3.3bn) to the Arab countries, a fall of 49.7 per cent on the same period last year.

Imports to West Germany from the same countries eased by 19.3 per cent during the same period to DM 15.9bn from DM 19.7bn.

Saudi Arabia was the country which accounted for the biggest decline in Arab imports to West Germany, showing a fall from DM 8.7bn to DM 3.1 bn, mainly because of a drop in oil deliveries.

West German exports showed their sharpest decline in Iraq, still at war with Iran, with exports falling to DM 3.1bn in the first nine months from DM 5.7bn a year ago.

Reuter

Algeria to buy two Airbuses

By Francis Ghilès

AIR ALGERIE, the state-owned airline of Algeria, plans to buy two new generation A-310 aircraft from Airbus Industrie, the European consortium. The order when finalised, will mark a departure from the airline's previous policy of buying its equipment mainly from Boeing of the U.S.

Air Algerie has been leasing Airbuses, mainly to meet growing traffic needs on its busy Algeria-France routes. Company officials say that it has now become more sensible to buy two Airbus aircraft.

Survey finds 900,000 more people in work

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

THE NUMBER of people with jobs in Britain is almost 900,000 more than the Government believed a year ago, according to the latest official estimate published today.

Figures, published in the Department of Employment's gazette provide a rosier picture of the general employment situation, particularly in service industries, but they do not alter the estimate of the number of unemployed. This still stands at about 2.9m, excluding school leavers.

The latest estimate of the number of people with jobs comes from analysis during the last year of the 1981 census of employment conducted by the department.

When provisional results of this census were published a year ago, officials "discovered" 517,000 people in employment who had previously eluded the statistics. However, further analysis has revealed the existence of an additional 167,000 employees.

In addition to these "extra" 684,000 employees, the survey suggests that the number of people self-employed is 215,000 more than was previously estimated. Altogether, therefore, the survey suggests that there are 899,000 more people with jobs in Britain than was believed before the 1981 census was processed.

The full census of employment is carried out every two years. In the intervals, the Department of Employment updates the figures with data from sample surveys.

Outlook brightens for office jobs

BY BRIAN GROOM, LABOUR STAFF

JOB PROSPECTS for office workers in Britain for the first three months of 1984 are better than in any first quarter for four years, according to a survey conducted by Manpower, the employment services company, for temporary staff.

Slighty more employers expect to increase their staff than are forecasting job losses, in Manpower's survey of 1,260 leading companies employing more than 3m staff.

This is a significant change, according to Manpower. Job prospects are usually at their worst in the January-March period, and the survey has been recording more first-quarter staff cuts than increases since the recession began to bite in early 1980.

Eighteen per cent of respondents forecast staff increases in the new year – a seasonal fall from the previous quarter's 27 per cent, but well above the 13 per cent for the first quarter of 1983.

Slightly fewer employers – 17 per cent – expect staff cuts, which is above last quarter's 15 per cent but below the 19 per cent this time last year. Manpower said forecast job losses appeared to be stabilising.

Health ruling may restrict sales of cold remedies

BY CARLA RAPOPORT

SALES OF some of Britain's best-selling cold remedies may suffer over the next few months while the Department of Health considers whether the products should be available by prescription only.

Manufacturers of some 50 cold remedies – including Contact 400, Mu-Cron, Sinutab und Beecham's Day Nurse – have been told that the Committee on Review of Medicines is concerned about the incidence of side-effects associated with high doses of an ingredient common to all these products.

The ingredient, called phenylpropanolamine (PPA), is effective in clearing sinuses and controlling catarrh.

The committee has asked manufacturers to respond to a proposal that would limit the amount of PPA allowed in a single dose to 25mg (with a maximum 75mg dosage in one day) for any cold remedies sold over-the-counter. It proposes that any product with more PPA per dose should be available by doctors' prescription only.

If the proposals are enforced, overseas sales of these products could also be affected. Contac, manufactured by SmithKline's subsidiary, Menley and James, is the best-selling cold capsule in the U.S.

"This could have a big effect. Britain is an important health authority worldwide, and this move is certainly going to raise a lot of questions," a SmithKline executive said yesterday.

The Department of Health said its move was a precautionary one, stemming from reports of high blood pressure and similar complications with the use of PPA in higher doses than those found in cold remedies. Manufacturers will be responding over the next few months.

Mr Bill Fraser of Menley and James, said yesterday that PPA had been used in Contac for 21 years.

Other companies which could be affected if the proposals are put into practice, are Warner Lambert of the U.S. with Sinutab, International Laboratories of the UK with Mu-Cron and Beecham, with Day Nurse and catarrh capsules.

Drugs industry in pain, Page 6

Cool reception for Pan Am protest

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

COMPLAINTS by Pan American World Airways of unfair competition from British Airways' Concorde fares on the North Atlantic have so far been given a cool reception in the UK.

Both the Civil Aviation Authority and British Airways are still awaiting the formal Pan Am document, filed earlier this week with the U.S. Civil Aeronautics Board, but both have reacted calmly to the Pan Am complaints.

Pan Am has alleged that BA offers Concorde fares at below cost price and "virtually at par" with subsonic first-class fares on both the London-New York and Washington routes. The current London-New York return Concorde fare is £2,399, against the subsonic first-class return of £1,986.

Pan Am wants the CAB to make BA "show cause why its current Concorde tariffs should not be suspended."

Pan Am said BA actions amounted to "flagrant subsidisation" and represented a "classic case of capacity dumping." It had caused the diversion of much first-class traffic from Pan Am to Concorde, amounting to revenue losses of more than $30m a year, or over $150m since Concorde flights to the U.S. began in 1976

Pan Am also claimed that although Concorde fares had originally been set some 20 per cent higher than subsonic first-class fares, the differential had narrowed considerably subsequently, especially with special promotional offers.

Absurdly literal interpretations of obscurely drafted laws

A. H. HERMANN, Legal Correspondent, reviews the year in the English courts

THE GOOD soldier Švejk, the foul-mouthed hero of the Czech passive resistance against the Habsburgs, did not defy his superiors: he carried out their instructions to the letter – completely ignoring their intent. He had the making of a lawyer, and given a better chance at school he might have excelled as a protagonist of the literal interpretation of law. What a wealth of delightful absurdities Švejk might have produced had he donned a gown and wig as a judge!

Even without Švejk, in the year now almost past, quite a few absurd judgments were delivered by superior courts in England. The masochistic interpretation of statutes and precedents, the rigid and formalistic treatment of law, never quite dead since it was adopted in the Middle Ages, celebrated its revival in 1983.

To make things even worse, the House of Lords decision in *Salem* deprived business of even the little certainty that respect for precedents offered: these can now be declared heresy with retroactive effect, thus changing the basis on which standard contracts were concluded.

Literal interpretation has a reverse effect on legislation. As Lord Hailsham, the Lord Chancellor, said in his Hamlyn lecture, those favouring literal interpretation have won the day in the battle with those who think judges should be guided not by grammar but by the intent of parliament. He regretted the narrow view which barred the courts from looking beyond the text of the statute to its origin and purpose.

In Lord Hailsham's view, this tendency of judges to pay attention to words and not to intent obliges parliamentary draftsmen to use twice and often five times as many words as legislative draftsmen do in other countries. Worse still, this enormous quantity of words is convoluted and impossible to understand.

This obscurity of statutes, together with the slow progress of consolidation and codification, as well as the courts' abstract and unrealistic approach to law, falls very short of the hopes of the enlightened 17th century lawyers, expressed by Lord Nottingham, as Lord Chancellor, when he said "Pray, let us resolve cases here that they may stand with the reason of mankind when they are debated abroad."

Since Lord Nottingham's time, the common people have learnt to read and write, and the domestic view of courts matters now more than the debates of foreign lawyers. Obscurity and unreasonableness frighten people off so that instead of accepting law for what it is – the all pervading and indispensable fibre of civilised society – they claim a special status and self-regulation.

This applies not only to stock exchange, solicitors, Lloyd's and trade unions, but also to soccer hooligans, the jet set and drug addicts. All of these have one thing in common: they believe that the law is for other people but cannot satisfy their particular interests or meet the needs of their particular sub-culture.

Obscurities and absurdities are not the only cause of the law's alienation from society. The other cause, much in evidence this year, is hesitation about its aims and purposes. Those who have never lost their freedom wonder whether one should not put an upper limit to its price. Many people do accept that society cannot be caring without first being efficient, and those who see the need for efficiency wonder sometimes whether competition is the best way towards it – particularly when it exposes *them* to competition.

The fear of competition was much in evidence this year in the failure to apply the Restrictive Trade Practices Act 1976 to services as the law requires. The first judgment on this issue, delivered by the Restrictive Practices Court, came down in favour of the Abta cartel of the travel agents and against the Director General of Fair Trading. His next case, against the London Stock Exchange, never came to trial – the Government stepped in and rescued the exchange by special legislation.

Even when it comes to helping an important UK service industry to compete on the international markets, the Government shows no interest. The weakness of the UK arbitration legislation is generally recognised and a year ago Sir John Donaldson, Master of the Rolls (presiding over the civil division of the Court of Appeal), listed the most needed improvements in a public lecture.

Of these the most urgent was to give the arbitrator or the court the possibility to terminate proceedings when intentional or inexcusable delays made a fair trial impossible. Another relatively simple matter, still outstanding, is legislation which would enable the arbitrator to consolidate connected proceedings into one.

As the call for change became louder during 1983, resistance stiffened. Lloyd's it seems, will have to give way to some supervision after a series of scandals which revealed questionable relationships between brokers, underwriters and reinsurers.

While Abta and the London Stock Exchange resisted successfully, the solicitors have not yet given up the fight for the preservation of the conveyancing monopoly, and the trade unions that of the closed shop. But it is not resistance but sheer inertia which holds up progress, as in the barely needed reform of the law of credit and sale of goods.

The multinational nature of enterprise continued to play havoc with the territorial compartmentalisation of business law. In contradiction to the attitude adopted when U.S. courts sought to exercise their jurisdiction in the UK in antitrust matters, English courts attempted to stop the prosecution of antitrust claims in the U.S. on behalf of Laker's creditors.

But there is also progress to report. The consolidation of company law, the mysteries of which only few now pretend to understand, is likely to be taken in hand in the near future. Because of the deluge of electronically available precedent, the courts have now said quite clearly that where principles are well established – for example, on the frustration of contracts – there is no need to refer to precedents.

Fewer merchant ships laid up

By Andrew Fisher, Shipping Correspondent

THE VOLUME of laid-up world shipping fell by 3.2m deadweight tons in October to 84.1m dwt, representing 12 per cent of the total merchant fleet. But the UK lay-up figure remained at 17 per cent of the country's merchant tonnage.

The General Council of British Shipping (GCBS) which produced the figures, said they "clearly showed some slight improvement but they were far from sufficient yet to justify a longer-term confidence."

Idle tonnage has been coming down since the record level of 100.5m dwt reached at the end of May this year. Slight improvements in freight rates have encouraged some owners to put vessels back on to the market.

Many ships have also been scrapped. E. A. Gibson Shipbrokers of London said that just over 24m dwt of tankers and combined carriers (able to transport oil or dry bulk cargoes) had been scrapped up to mid-December, slightly less than last year.

IDLE WORLD TONNAGE (m dwt)

	Dry cargo	Tankers	Total
Dec 31 1981	2.8	24.6	27.4
June 30 1982	6.5	52.8	59.3
Dec 31 1982	23.6	60.1	83.7
May 31 1983	25.4	75.1	100.5*
Oct 31 1983	24.9	59.2	84.1

* Peak laid-up total
Source: General Council of British Shipping

The GCBS added that there was still a long way to go before the industry would see any prospect of a major upturn in world trade movements. The overhang of laid-up tonnage was still considerable.

Largest share of the world idle tonnage figure was taken up by tankers, of which 59.2m dwt were idle at the end of October, a drop of 2.8m on the previous month. This total represented 18 per cent of the international tanker fleet.

There was a small drop in laid-up dry cargo tonnage of 438,000 dwt to 24.9m dwt, or 7 per cent of the world's dry cargo fleet. Altogether, 1,690 merchant vessels were laid-up around the world on October 31 compared with 1,735 the month before.

The UK fleet showed a slight rise in the laid-up tonnage figure to 4.89m dwt from 4.87m dwt, though the actual number of ships idle dropped from 81 to 75. More than 4.1m dwt consisted of tankers.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1980=100); engineering orders (1980=100); retail sales volume (1978=100); retail sales value (1978=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unemployed	Vacs.
1982							
4th qtr.	98.3	92.9	92	110.7	184.5	2,913	115
1983							
1st qtr.	99.8	94.4	85	111.1	153.1	3,003	124
2nd qtr.	99.5	93.9	92	113.6	158.7	2,987	135
3rd qtr.	100.3	94.3	89	114.9	165.7	2,950	160
April	99.7	93.8	96	112.9	157.8	3,021	134
May	100.1	94.2	94	113.7	159.1	2,970	131
June	98.5	93.7	85	114.0	159.1	2,968	139
July	99.9	94.4	100	113.9	166.8	2,967	153
August	100.2	94.2	82	112.8	162.8	2,941	162
September	100.9	94.3	84	117.3	167.1	2,951	164
October	100.4	94.0		115.2	173.7	2,941	167
November				116.5		2,937	163

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1980=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1982							
4th qtr.	94.1	90.6	103.7	91.6	93.6	87.0	15.1
1983							
1st qtr.	95.3	92.1	105.2	93.3	100.3	88.2	18.1
2nd qtr.	95.5	89.7	105.9	92.0	103.6	88.1	19.8
3rd qtr.	95.7	89.8	107.8	92.1	101.5	89.8	17.2
April	95.0	90.0	106.0	92.0	106.0	88.0	17.3
May	96.0	90.0	107.0	93.0	102.0	88.0	19.4
June	95.0	89.0	105.0	92.0	103.0	89.0	22.8
July	96.0	90.0	107.0	92.0	104.0	91.0	17.2
August	96.0	89.0	108.0	92.0	97.0	88.0	16.5
September	95.0	89.0	109.0	92.0	103.0	90.0	17.7
October	95.0	90.0	108.0	92.0	105.0	89.0	18.2

EXTERNAL TRADE—Indices of export and import volume (1980=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1980=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1982							
4th qtr.	104.6	99.3	+1,215	+2,327	+1,736	98.7	17.00
1983							
1st qtr.	102.6	106.2	−163	+781	+1,764	97.7	17.34
2nd qtr.	100.2	107.2	−669	−171	+1,490	98.2	17.71
3rd qtr.	100.7	107.2	−295	+603	+1,538	99.4	17.90
April	97.5	105.7	−299	−133	+485	97.5	17.66
May	98.0	109.8	−519	−353	+420	97.7	17.92
June	105.0	106.1	+149	+315	+585	98.2	17.71
July	96.8	107.1	−318	− 19	+440	99.0	17.94
August	100.4	107.2	−122	+178	+569	99.5	18.01
September	105.0	107.4	+145	+444	+529	99.6	17.90
October	104.3	118.3	−429	−219	+538	98.8	18.10
November	107.3	107.6	+107	+317	+672	98.7	18.10

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Clearing Bank base rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	Base rate %
1982							
4th qtr.	17.2	12.2	26.9	+4,293	2,139	2,473	10.13
1983							
1st qtr.	9.5	8.1	10.6	+4,456	1,174	2,499	10.50
2nd qtr.	15.3	14.6	15.0	+5,087	1,071	2,498	9.50
3rd qtr.	8.5	8.4		+1,491	2,098	2,608	9.50
April	12.1	13.7	13.6	+2,034	433	783	10.00
May	15.6	13.5	12.8	+1,091	319	847	10.00
June	18.1	16.5	18.5	+1,962	319	868	9.50
July	14.0	12.5	21.5	+ 776	739	782	9.50
August	11.5	10.8	22.5	+ 644	525	937	9.50
September	0.6	2.1		+ 71	834	889	9.50
October	8.6	4.8		+1,779	987	856	9.00
November	7.5	6.8		+1,413	870		9.00

INFLATION—Indices of earnings (Jan 1980=100); basic materials and fuels, wholesale prices of manufactured products (1980=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (1975=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1982							
4th qtr.	141.8	119.4	120.1	325.4	298.5	238.84	89.1
1983							
1st qtr.	144.7	124.6	121.8	327.0	302.1	277.29	80.5
2nd qtr.	148.0	123.6	124.2	333.7	306.3	272.89	84.3
3rd qtr.	150.9	124.7	125.1	338.0	310.4	288.14	84.9
April	146.0	123.1	123.6	332.5	304.6	274.56	82.8
May	148.3	123.8	124.3	333.9	305.6	267.81	84.9
June	149.7	124.0	124.6	334.7	308.8	272.89	85.2
July	151.7	123.2	124.7	336.5	308.7	282.26	84.8
August	150.4	124.6	124.9	338.0	309.4	293.02	85.1
September	150.5	126.5	125.7	339.5	313.0	288.14	84.8
October	151.7	126.1	126.3	340.7	314.5	283.18	83.4
November		127.6	126.8	341.9	316.1	288.10	83.7

* Not seasonally adjusted.

THE ARTS

Geraldine McEwan

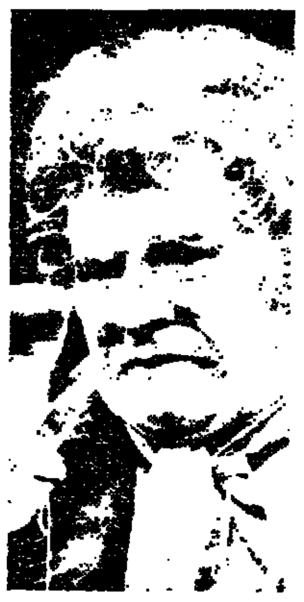
Barbara Dickson

Ben Kingsley

Glenda Jackson

Ralph Richardson

Juliet Stevenson



Peter Ustinov

Richard Griffiths

The Theatre in 1983/Michael Coveney

A mood of optimism, a year of adventure

For all its disappointments, 1983 will be memorable for an unusually good crop of new plays and a veritable galaxy of stellar performances. We have had major work from the new old guard of David Hare, Christopher Hampton, Howard Brenton and David Edgar. And the London stage has been graced by Rex Harrison, Glenda Jackson, Derek Jacobi, Penelope Keith, Alan Bates, Peter Ustinov, John Kani, the entire replacement cast of *Noises Off*, Leslie Phillips and Judi Dench.

A mood of optimism and even adventure returned after several dull years to the West End as managements displayed enterprise and imagination, and the tourists, encouraged by the weakness of the pound sterling against the American dollar, flocked back to Shaftesbury Avenue and remained loyal to the new RSC home in the Barbican and to the National Theatre on the South Bank.

A shadow was cast across the year by the death of Ralph Richardson who bowed out with a characteristically somnambulant performance in Eduardo de Filippo's *Inner Voices* at the National. Bernard Miles was unhappily ousted from the Mermaid and went off to play the abandoned old retainer in Lindsay Anderson's competent revival of *The Cherry Orchard*. Peter Hall published his diaries and laid an over-publicised egg with *Jean Seberg* in the Olivier. The Round House closed and was acquired by Camden Council for use as a Black Arts Centre, a potentially disastrous move.

More heartening was the acquisition by Andrew Lloyd Webber of the Palace Theatre on Cambridge Circus; the re-opening of Ed Mirvish's gloriously refurbished Old Vic (shame about *Blondel*, though) on which he has philanthropically lavished over £2m; the appointment of Michael Attenborough (who has rejuvenated the Watford Palace) to the artistic directorate of the Hampstead Theatre as David Aukin moves up to the Leicester Haymarket; and the success of Ray Cooney's Theatre of Laughter operation at the Shaftesbury and the Ambassadors.

In general election year, the Falklands War was discreetly played down until Denis Healey, and then the Royal Court, raised pertinently querulous obections. In the Theatre Upstairs, *Falkland Sound/Voies de Malvinas* made dignified use of the Tinker letters but, after the interval, failed to match interesting content to theatrical form. As with the South African *Woza Albert* which progressed to the West End via the Edinburgh Festival and the Riverside Studios, one was left applauding the sentiment rather than the execution.

The holocaust fared rather better, with *Any Minute Now . .* at Stratford East and *When the Wind Blows*, at the Whitehall (a wonderfully muted performance from Patricia Routledge) counting the cost in poignantly human terms. Howard Brenton's *The Genius*, brilliantly directed at the Royal Court by Danny Boyle, transposed Einstein's fear of too much scientific knowledge for our own good to the riveting tale of an American nuclear researcher suppressing his formula on an English university campus. Trevor Eve was outstanding as the lecturer. And, within the week, Mike Harding updated the *Lysistrata* story to the nuclear age in an ebullient piece for the Oldham Coliseum, *Not With A Bang*.

Derek Jacobi and Floyd Bevan in Cyrano de Bergerac

I admire the way Brenton "dreams" his plays for the theatre, the exciting fusion he achieves between text and form, the gritty panache of his vision. David Edgar is a more prosaic artist, but he wrote the play of the year in *Maydays* for the RSC at the Barbican, a panoramic epic of internationalist ambition about the phenomenon of idealistic defection from Right to Left. His central character moved from late '60s revolutionary splinter groups to the early '80s New Right. This was a schematic weakness. Dave Spart simply did not become Roger Scruton. Whereas, of course, Paul Johnson did become Paul Johnson. But I loved every minute of *Maydays*, loved its details of observation, its grand gesturer.

As the Russian dissident changed his speech at an award-winning function sponsored by the British Establishment Right, one thought irresistibly of that Bernard Levin interview with Solzhenitsyn published in The Times during the election campaign. Edgar, however, refused to allow his character to be used as a political tool. *Maydays* picked up where *Destiny* left off and exposed *Nicholas Nickleby* as a pleasurable aberration in between.

The National, except in the new plays department, had a terrible year. Only Peter Wood's revival of *The Rivals*, splendidly set by John Gunter on a beautifully conceived re-creation of Bath's Royal Crescent, came up to scratch. Geraldine McEwan's reclamation of Mrs Malaprop was as ingenious a reclamation job as was Judi Dench's last year of Lady Bracknell. There were vague, disgracefully dull revivals of Musset's *Lorenzaccio*, of Giraudoux's *The Trojan War Will Not Take Place*, of Marston's *The Fawn*, and of Kaufman's and Hart's *You Can't Take It With You*. The finale sing-song in this latter show was the year's lowest point.

But Hare and Hampton came to the rescue with, respectively, *A Map of the World* and *Tales from Hollywood*. Neither was a world première. The Hare piece, set in a Bombay luxury hotel during a conference on world poverty, pitted a left-wing British journalist against a right-wing Indian novelist in a contest for the body of an American actress appearing in a film of the events we witness.

A cinematic assurance of form did not detract from the sparkling debate on liberal attitudes towards Third World problems. Much of the play was about the distortion of truth for whatever purposes, and the final irony was that the novelist had arrived on a film set to complain about the fictional transposition to another medium of his own fiction. Roshan Seth as the V. S. Naipul character repeated his wonderful 1982 Adelaide Festival performance.

Hampton's mulling over of the artistic impulse centred on a beguilingly imaginative treatment of the European emigré contingent in Hollywood between the wars. He resurrected the Austrian playwright Odön von Horvath (in reality, dead at the time) as our guide along the boulevards and fired off several well-received salvoes at the expense of Bertolt Brecht. Peter Gill's production did not make convincing architectural use of the Olivier, but Michael Gambon as Horvath, Billie Whitelaw as Nelly Mann and Ian McDiarmid as Brecht all had a field day.

Other good NT plays, small beer in comparison, were David Mamet's *Glengarry Glen Ross*, Bill Bryden's company falling with relish upon Mamet's rhythmically hypnotic American salespeak, and Athol Fugard's "*Master Harold*". . . *and the boys*, John Kani outstanding, both in the Cottesloe.

The long-awaited Priestley Report came out in favour of the RSC as a thriftily-run organisation, but funds were unconvincingly hard to come by for the best production idea of the year, a live horse in the latter stages of John Barton's small-scale Stratford-upon-Avon revival of Calderon's *Life's a Dream*. Barton's show was the cherry on the top of a very good year for The Other Place, even if the *Volpone* was unhappily cramped by bad design and costumes.

On the main Stratford stage, Juliet Stevenson — in my view the best young actress in the British theatre, the natural successor of Ashcroft and Dench —was a memorable Isabella in Adrian Noble's slickly diverting but flawed *Measure For Measure*. John Caird's *Twelfth Night* had a wonderful neo-classical setting by Robin Don and a rainswept soundtrack by the ubiquitous Ilona Sekacz. Howard Davies's *Henry VIII* was emphatically Brechtian, lucid but unexciting. Richard Griffiths was, on reflection, more successful as Volpone than as King Henry.

In the Barbican, Derek Jacobi led from the front as Cyrano in Terry Hands's gloriously operatic production of a wonderful new translation by Anthony Burgess and also brought to London his sensational 1982 Stratford repertoire of Benedick, Prospero and Peer Gynt. Jacobi is the new RSC star and, over the past two years, has undoubtedly established himself at the very head of his profession. Are we now to see a fight to the death between himself and Ian McKellen, or will the RSC (or the National) put them in double harness for a golden age not known in London since the heyday of the three knights? Jacobi has still to prove himself in a modern role and it is up to the RSC or the National to find him one.

McKellen, meanwhile, was letting himself down badly in one of the year's most conspicuous flops, *Cowardice*. He and Janet Suzman were a suburban brother and sister playing infantile Coward and Gertrude Lawrence charades before capitulating to the exigencies of a spuriously Ortonesque flurry of not so grand guignol. Other West End duds included Raymond Burr in *Underground*, John Mills—the year's unfunniest performance-in *Little Lies*, an unnecessary but curiously resilient travesty of Pinero, and Charles Dyer's *Lovers Dancing*.

On the other hand, the West End could boast Gryff Rhys Jones in *Charley's Aunt*, the Nuffield Theatre, Southampton, production of *Daisy Pulls It Off* (a surprise hit produced by Andrew Lloyd Webber and well sustained by a good advertising campaign), Peter Ustinov packing them in in his only moderately entertaining *Beethoven's Tenth*. Rex Harrison in *Heartbreak House*, and Glenda Jackson in Keith Hack's wonderful production of Botho Strauss's *Great and Small*.

This latter show, on the road, whetted the appetite of the media ghouls anxious to saddle Jackson with a flop along the lines of Peter O'Toole's in *Macbeth*. Other critics who had seen the play in Germany cried "Travesty!" without producing arguments. In fact, Jackson played a bag lady knocking on the doors of a brutally selfish society and did so with wit, humour and considerable brio.

Great and Small was a thoroughly entertaining and surprising evening, whereas Judi Dench and her underrated husband, Michael Williams, gave a good name to civilised standards of theatrical decency in Hugh Whitemore's cunningly compiled domestic drama of betrayal, *Pack of Lies*. I enjoyed both, but preferred *Great and Small*.

Penelope Keith was an excellent Judith Bliss in *Hay Fever* but must learn to surround herself with talent more deserving of her co-operation. This is hardly the time for stars to begin behaving like Donald Wolfit in the provinces. *Hay Fever* was good, but should have been a lot better. The West End fringe import, *Crystal Clear*, dealing with blind dates among the partially sighted, was powerful at the time but nobody except the critics really wanted to see it.

Other marks for effort to Ben Kingsley, who interrupted his Oscar-winning celebrations to come and play Edmund Kean, to Martin Shaw for salvaging a mundane revival of Odets's *The Country Girl*, and to Noele Gordon for being a jolly good sport in *Call Me Madam*.

Ah yes, 1983 was also the year of the indifferent musical. Honourable exception must be made for Willy Russell's *Blood Brothers* which was first seen, on a most exciting night, at the Liverpool Playhouse. Barbara Dickson, who first worked with Russell 10 years ago on his Beatles musical in Liverpool, was like a young Gracie Fields as the mother of twins separated by social circumstances.

The score, by Mr Russell, was melodic and punchy and you could forgive the melodramatic excesses of the plot by thinking of it as a cross between *Il trovatore*, *Twelfth Night* and Trevor Griffiths's *Sam Sam*. Andrew Schofield was a versatile jack-in-the-box and the lovely musical arrangements by Pete Filleul.

Michael Williams and Judi Dench in Pack of Lies

Otherwise, the grim musical line stretched out to the crack of doom, beginning with *Marilyn!* which was as much an abuse of the memory of Monroe as it was of the exclamation mark. *Snoopy* was okay in its coy manner and I was in a minority in disliking *Little Shop of Horrors*. It seemed to me to be an exercise in vacuous, outdated camp.

Among *Blondel*, *Dear Anyone*, Bob Fosse's tritely old-fashioned *Dancin'*, the revamped *Poppy* and the pretentiously competent *Jean Seberg*, you will find nothing in terms of music or lyrics that will survive the decade or even the year. The current Top Ten, infinitely the most interesting for five years, is much better, and a run-of-the-mill episode of *Top of the Pops* more visually and intellectually stimulating than any of these overblown nonsenses.

Without unduly treading on the toes of my esteemed colleagues on this page, I would submit that the real experiences of 1983 music theatre were to be found in the opera house and I recall with mounting pleasure Trevor Nunn's Glyndebourne *Idomeneo* and Jonathan Miller's *The Magic Flute* for Scottish Opera.

The best musical as such, albeit in a student production, was Sondheim's *Merrily We Roll Along*. This flopped after 16 performances on Broadway in 1981 but the Guildhall School of Music and Drama cast, under the direction of Ian Judge, rescued this enchanting piece of work from the inflated Hal Prince treatment and made telling points on the loss of innocence theme. The score and libretto (by George Furth) made wickedly clever use of the flashback device and the music is gorgeous in the vein of *Company* rather than *Pacific Overture*.

Other London highlights included Alan Strachan's Greenwich production of A. R. Gurney's *The Dining Room*, a cool and richly observed look at the WASP society in a house that has seen them all come and go; Snoo Wilson's *Loving Reno*, an intriguing piece about magic and incest at the ever-invaluable Bush Theatre; Arnold Wesker's excellent triptych for the admirable Nichola McAuliffe, *Annie Wobbler*, which came from the Birmingham Rep to the New End; a lovely football play, also at New End, *Red Saturday*, from Paines Plough; and Michael Wilcox's resonant school memory play *Lent* at the Lyric Hammersmith studio.

There were bravura turns on the fringe from Dario Fo, John Sessions and Steven Berkoff, and the second LIFT international festival introduced London to the brilliant Colletivo di Parma. Riverside Studios mounted O'Neill's *A Moon for the Misbegotten*, the final hour of which was unforgettably transfigured by the acting of Frances de la Tour and Ian Bannen.

O'Neill was also honoured by the Nottingham Playhouse's studio revival of *Long Day's Journey Into Night*, the visiting American actress Carol Teitel hitting the heights as Mary Tyrone. The Royal Exchange in Manchester had a modest year by its own high standards and, as usual, the running was made by the Glasgow Citizens with gorgeously distinctive productions of Goldoni's *The Impresario from Smyrna*, *The Custom of the Country* by Beaumont and Massinger, and Thomas Southerne's *Oroonoko*, a superb Restoration tragicomedy about the Caribbean slave trade. The Sheffield Crucible gave us a fascinating *Don Juan the Lover*, interleaving the first Don Juan play with Molière, as well as Howard Barker's Labour Party conference drama *A Passion in Six Days*.

The Belgrade in Coventry celebrated the 25th anniversary of *West Side Story*, the Oxford Playhouse failed bravely with Stephen Spender's translation of *The Oedipus Plays* and there was, throughout the year, always something worth seeing at both Watford and Southampton.

1984 will be the crunch year for the regional theatres, as the cutbacks in local authority spending begin to bite. The Arts Council is in no position to shore up theatres against this serious loss of funding and there are discouragingly few signs that the Arts Minister, Lord Gowrie, is treating the matter with urgency. It is a scandal peculiar to this country that the performing arts, on which the politicians are quick to pride themselves, are so meanly treated by the Treasury. Unless, over the next five years, there is a sea-change in Government's attitude towards the arts, the whole post-war movement is in danger of being rubbed out not only in the regions but also in London.

The last thing we want is a small national network of privileged cultural bastions with direct funding from the Government. I dislike the idea of the National Theatre and, should they get their way, the RSC being thus protected. Far better for the theatre to argue in concert for healthy, increased subsidies all round so that the first stage of the post-war boom might flourish on reinforced, evenly distributed platforms throughout Great Britain for new writing, new acting and new production techniques. Without that sort of investment we will be left in 1990 with just, well, the National Theatre and a withered commercial sector.

All the photographs on this page were by Alistair Muir.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

December 23–29

Exhibitions

WEST GERMANY

Berlin, Akademie der Künste, 10 Hanseatenweg: Designs, furniture, drawings and publications by Adolf Loos, the Austrian architect and master craftsman (1870 to 1933). Ends Jan 15

Brunswick, Herzog Anton Ulrich Museum, 1 Museumstrasse: French Painting from Watteau to Renoir has 70 landscapes, still lives and portraits from the 18th and 19th centuries. Ends Jan 22

Bremen, Kunsthalle, 207 Am Wall: A survey of the work of Odilon Redon (1840 to 1916), the French symbolist painter. It comprises 200 oil paintings, pastels, drawings and graphics. Ends Jan 22

Hanover, Kestner Gesellschaft, 16 Warmbüchenstrasse: Expressive paintings and coloured bronze sculptures by Sandro Chia, created by the Italian "fauve" artists between 1975 and 1983. Ends Jan 22

Düsseldorf, Städtische Kunsthalle, 4 Grabbeplatz: Picasso sculpture. The 197 pieces — made of wood, plaster, bronze, wire wrapping and rolled iron sheets — span all periods. Ends Jan 29

Frankfurt, Jahrhunderthalle Hoechst, Pfaffenwiese: Water colours, drawings and documents from between 1904 and 1967 by Erich Heckel, the German expressionist and co-founder of the Brücke school of painting, exhibited on the occasion of his centenary. Ends Jan 8

Munich, Haus der Kunst, 1 Prinzregentenstrasse: The museum is showing chiefly Heckel's early work. There are paintings, drawings and watercolours. Ends Feb 2

Hanover, Wilhelm Busch Museum, 1 Georgengarten: The first venue of the roving exhibition with 176 etchings and lithographs by George Cruikshank, the British cartoonist. Ends Jan 8

ITALY

Milan: At the Chiesa delle Grazie there are 100 pre-Raphaelite and Neogothic paintings for church windows.

Venice: Palazzo Ducale. 7000 years of China exhibition. Ends Dec 31. Museo Correr: Titian's engravings on show. Palazzo delle Prigioni: exhibition of works by Massimo Campigli.

PARIS

Raphael – Three exhibitions pay homage to the great Renaissance painter – born 500 years ago. The Grand Palais assembles, for the first time, most of the paintings and drawings from French museums, among them Le Petit Saint Georges, La Belle Jardinière and Balthazar Castiglione's portrait. Another exhibition shows Raphael's influence on French art from the 16th century to the present. Grand Palais (2615410). Closed Tue, Wed late closing. Ends Feb 13. The Louvre completes the anniversary celebrations with an exhibition of the most brilliant of Raphael's collaborators, among them Giulio Romano, and of his disciples. Louvre, Cabinet Des Dessins (2603926). Closed Tue. Ends end of Feb.

Balthus – in collaboration with the Metropolitan Museum 50 paintings and as many drawings are shown in the secretive painter's first retrospective revealing a universe peopled with adolescent girls and cats in an atmosphere of troubling innuendoes. Centre Georges Pompidou. Closed Tue. Ends Jan 23 (277 1233)

Cycladic Art from the N. and D. Goulandris Collection – more than 200 remarkable items dating from the third century B. C. are being shown at the Grand Palais before returning – definitely – to Athens. Grand Palais (ends Jan 9). Closed Tue, Wed late closing night 10 pm (261 5410)

HOLLAND

Irish Culture from 3000 BC to 1500 AD in Amsterdam's Rijksmuseum until Feb 26. The Book of Kells, the most magnificent illuminated version of the gospels in Europe, is joined by a hoard of bronze, silver and gold treasures, all finely wrought and many of them encrusted with jewels – a reminder that long before its present troubles, Ireland had its golden age and was the last repository of Western art and learning to fall to the Vikings.

One hundred paintings by modern Dutch artists at the Stedelijk Museum, Amsterdam. Until Jan 8.

LONDON

The Hayward Gallery: Raoul Dufy – a timely reminder that this hero of countless chocolate boxes and postcards, the acceptable face of modern art, was not only a significant painter but a Fauvist of peculiar character, a follower but no slave of Matisse, who later developed into a decorative artist of the first importance. His elegantly perfunctory notation, and his characteristic imagery – white sails in the bay, palm trees below the balcony, bright silks against the apple green of the racecourse, have been taken up and broadcast endlessly by lesser talents. His fabric designs and tapestries are especially remarkable in a beautiful and necessary exhibition. Ends Feb 5.

The Hayward Gallery: Hockney's Photographs – a brisk survey of Hockney's practical use of the camera from simple reference and aide memoire to photographic exercises. This latter aspect developed slowly but has speeded considerably in the past 18 months. The composite photographic image is no longer just a simple still life or portrait study, but a strange and intriguing image of an event, a sequence of action, a passage of time. Ends Feb 5

CHICAGO

Museum of Contemporary Art: 46 paintings of Superrealist Malcolm Morley trace the British-born painter's style from its origins in abstract works through Pop art to the ocean liners based on postcards that show the photo-realist influence of his self-styled Superrealism. Organised originally by the Whitechapel Gallery in London, the show includes recent pastoral landscapes with beach scenes and animals. Ends Jan 22

NEW YORK

Cantor Sculpture Centre: Set against a spectacular view of New York atop the World Trade Tower, 35 Rodin sculptures are displayed in the enlargements and reductions carried out by Rodin collaborator and reproducer Henri Lebosse. One World Trade Center, 105th storey

Willem de Kooning (Whitney): This major retrospective with 250 works covering the artist's entire career is divided into drawing and painting and sculpture sections. Half the exhibits are drawings. And there are 25 sculptures. Ends Feb 19.

WASHINGTON

National Gallery: Art of Aztec Mexico combines works confiscated during the Spanish conquest of 1521 with the unearthing in 1978 of the Great Temple of Tenochtitlán, capital of the Aztec empire, in central Mexico City. The most comprehensive Aztec art exhibit ever mounted in America reflects the religion that suffused the Aztec culture, with gods performing sacrifices that had to be repeated by man in order to keep the sun moving across the sky and the cosmos working. Ends Jan 8, 1984

National Museum of Natural History: The Precious Legacy contains 350 secular and religious Jewish objects the Nazis preserved in Czechoslovakia for a "Museum of an extinct race", covering five centuries of gold, portraits, textiles and other crafts from the collection of the State Jewish Museum in Prague. Ends Dec 31

Orpheus in the Underworld/Berlin

Ronald Holloway

The Götz Friedrich production of Jacques Offenbach's *Orpheus in der Unterwelt* (Orpheus in the Underworld) at the Deutsche Oper, Berlin is a pure delight.

More often than not, when an opera company reaches down to stage an operetta during the holiday season the choice falls to Johann Strauss's *Die Fledermaus* – to make full use of a golden opportunity: a masquerade ball on New Year's Eve. Friedrich, however, was nourished on Offenbach while serving his apprenticeship at the Komische Oper in East Berlin under Walter Felsenstein.

The master of perfectionist staging of comic opera and operetta introduced the Berlin public to Offenbach's music in 1945, at the Hebbel-Theater in an undivided city. His production of *Pariser Leben* (La vie parisienne) was followed at the Comic Opera by *Orpheus in der Unterwelt* (Orphée aux enfers) in 1948, a second *Pariser Leben* in 1951, *Hoffmanns Erzählungen* (Les contes d'Hoffmann) in 1958, and *Ritter Blaubart* (Barbe-bleue) in 1963. Thus, Friedrich's *Orpheus* is definitely part of a grand tradition in Berlin.

When Offenbach produced his *Orphée aux enfers* for a rather naughty Paris of 1858, the burlesque of the Olympian gods raised more critical eyebrows then than the frank embrace of the cancan. Götz Friedrich appears to argue that the French uppercrust was being caricatured in the process, for he stages his Olympus at an Alpine resort in order to poke goodnatured fun at some rather typical German super opera-fans.

Another jab is directed at the city politicians, the director-Intendant knowing full well that the Mayor and half of the Berlin Senate would be present for one premiere and enjoy an extra plug at their own expense. Needless to say, it worked.

This is also light entertainment at its best. The gags alone are worth the price of admission. Public Opinion representing the daily tabloids in a prudish newshound manner, Pluto in his guise as the shepherd Aristeus with a string of black sheep save for a lone white one, the gods looking like a provincial Wagnerian chorus, Orpheus on a bicycle and Mercury on rollerskates, Diana as a plump Teutonic huntress and Cupid in Bermuda shorts, and the cancan dancers using the ramp constructed around the orchestra pit as though this was a tryout night for a Las Vegas floorshow.

These puns are delivered for the most part by two professional stage actors: Mona Seefried as the bespeckled yet attractive newsgirl, and Helmut Lohner as Hans Styx (Pluto's servant). It is Lohner in his ditty, "Once I Was the King of Arcadia," who hilariously spoofs backroom politics in Berlin of late – to wit: Richard von Weizsäcker, Berlin's able mayor, is destined to become the President of the Federal Republic next spring, so who will take his place?

Another merry moment happens when a doddering old Jupiter (Hans Beirer) can't keep his gods in rein once they reach the wild-and-wicked Underworld, so it is Astrid Varnay, a Wagnerian soloist as Juno in a speaking role, who restores order with a bellowing "QUIET – says my husband!"

The acting, as well as singing, talents of two Americans in the cast pay off in spades: Patricia Wise as Euridice and George Shirley as Pluto are naturals in their roles, both possessing a refined instinct for the tricks of the musical-comedy trade.

Even chorus director Walter Hagen-Groll appears to have primed his company to let their collective hair down by scheduling a screening of the Marx Brothers in *A Night at the Opera*.

Orpheus in the Underworld is almost too much of a success for a tradition-minded opera house. So after the holidays are over, it will not appear on the boards again until next spring – at which time, it could then easily move over to the ready-and-willing Theater des Westens, the city's musical-and-operetta house.

Since Götz Friedrich will shortly become the manager of both the Deutsche Oper Berlin and the Theater des Westens, it may very well be that a string of Jacques Offenbach productions *à la Felsenstein* are in the making.

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Thursday December 29 1983

Nigeria braced for austerity

NIGERIANS are bracing themselves for an unseasonal austerity budget today, which is likely to impose further drastic import restrictions, along with increases in taxes and petrol prices, in order to bring the country's chronic balance of payments and budget deficits under control. At the same time, it is intended to persuade the International Monetary Fund of the government's seriousness about putting its financial house in order, so that it may qualify for an extended loan of more than \$2bn (£1.4bn).

Meanwhile, in the week before Christmas, Nigerian officials were in London seeking to persuade leading British suppliers, and the Export Credits Guarantee Department, of the need to refinance and/or reschedule the substantial backlog in trade payments which has built up over the past three years, since oil export earnings started to fall.

Christmas in Lagos was already gloomy enough, for food prices have risen steeply (by 100 per cent or more in some cases) in the past year, drought in many areas of the north has severely restricted the latest harvests, and import restrictions have caused widespread lay-offs in a manufacturing sector which relies heavily on raw materials and equipment from abroad. But the austerity measures to date have still failed to stabilise the country's external account, or indeed to balance Government revenues and spending.

Conditions

The British Government response to Nigeria's request for an ECGD-backed refinancing of a substantial part of its trade arrears was positive, as indeed it should have been. The UK has done very well from its exports to Nigeria, which in recent years became the largest British market outside Europe and the U.S. (before the latest import curbs).

The UK is also in the position of having played a direct part in Nigeria's present plight, because the rising output of North Sea oil has caused the market to shrink for comparable Nigerian crude, over and above the general effects of the international oil glut.

However, the generally sympathetic tone of the ECGD response was tempered by two important conditions on any refinancing deal that may be agreed. In the first place, it must be multilateral, offering the same conditions to all export credit agencies; and secondly, the British Government insists that it is dependent on progress being made towards agreement on a programme with the IMF

The problem over negotiations with the Fund (which have continued since last April) centres on the demand for devaluation of the naira as part of any policy package. While Nigerian officials admit that the currency is overvalued, they dispute the economic advantages of devaluation in an economy where the price mechanism is often negated by infrastructure bottlenecks typical of any developing country. They also argue that it would have devastating effects on manufacturing industry and, while increasing the government's revenue in naira from oil, would simultaneously increase the naira cost of debt servicing, including repayment of the trade arrears.

Perhaps the most fundamental Nigerian objection, however, is not economic but political. The question of devaluation has become totally politicised, and reasoned debate on the question is impossible. The popular perception in Lagos is that devaluation is a blow to national pride which involves an absolute cut in spending power.

The economic purists at the IMF cannot ignore such political constraints. Price controls do not work in a country like Nigeria, and a formal devaluation would very probably be taken as an excuse by every manufacturer and trader to raise prices by an identical amount. The government would be blamed, and the benefits dissipated.

It should not be beyond the wit of either the IMF or the Nigerian Government to reach a compromise on a fairly rapid depreciation of the naira to a more appropriate level. Inevitably it will cause problems for sectors dependent on imports but, combined with other appropriate incentives, it is an urgently needed move to redirect the Nigerian economy towards increased self-sufficiency and, above all, a revival of agriculture.

The floating of Reuters

SOME QUESTIONS have been raised, in Parliament and elsewhere, about the proposed public flotation of Reuters, the international news agency and financial information service. Since Reuters is by its nature a very special institution and since the flotation, if it comes off, is likely to be among the biggest to take place in Britain (perhaps in the area of £1bn or more), it is entirely right that the questions should be pressed.

Concern seems to arise mainly on two fronts. Firstly, Reuters has long been regarded more as a trust than a commercial organisation. Its function was more to provide objective reporting than to make money. Secondly, it is feared that the general news service may be slimmed down, or even jettisoned, if the company goes public.

Principles

The argument about the trust is a powerful one. The trust was established in 1941 and among its terms are two important principles. The shareholders are pledged to regard their holdings in Reuters "as in the nature of a trust rather than an investment," and the trustees are enjoined to ensure that the control of the company "shall at no time pass into the hands of any one interest group or faction."

The company is 41 per cent owned by the Press Association, which is in turn owned by the provincial press, and 41 per cent by the Newspaper Publishers' Association which keeps its shares in trust for the individual national papers (including the Financial Times). Another 15 per cent or so is held by the Australasian press and a small amount by Reuters executives and employees. The major shareholders appoint the trustees, who are chiefly newspapermen.

The first whiff of a public flotation came soon after Reuters began to make big money. In 1979 it had pre-tax profits of £3.5m on a turnover of £76.3m. In 1982 the pre-tax profit rose to £36.7m on a turnover of £180m. The forecast for 1983 is profits of upwards of £50m on a turnover that should have risen to about £235m.

The company made this breakthrough by advancing into new areas of information technology. Outside the U.S., for example, it claims to have 37 of the world's top banks among its clients. It is worth noting in passing that at least some of the push for the move into "high tech" came from Reuters financial journalists who had risen from the ranks

So far the investment in new technology has been self-financing. Reuters is essentially an ungeared company without long-term debt. In 1981 it paid its first dividends for 41 years and the shareholders now find themselves sitting on a potential goldmine. So why go public?

The answer is not simply that the shareholders wish to realise their shares. Indeed many of them are likely to keep the bulk of them as a profitable investment which when valued at market prices, could do a great deal for their balance sheets. In addition the company may also need a broader capital base. At present, for instance, Reuters is in no position to make a rights issue. Yet it will continue to need large sums of money if it is to maintain its technological lead over its competitors. Going public is the best way of finding it.

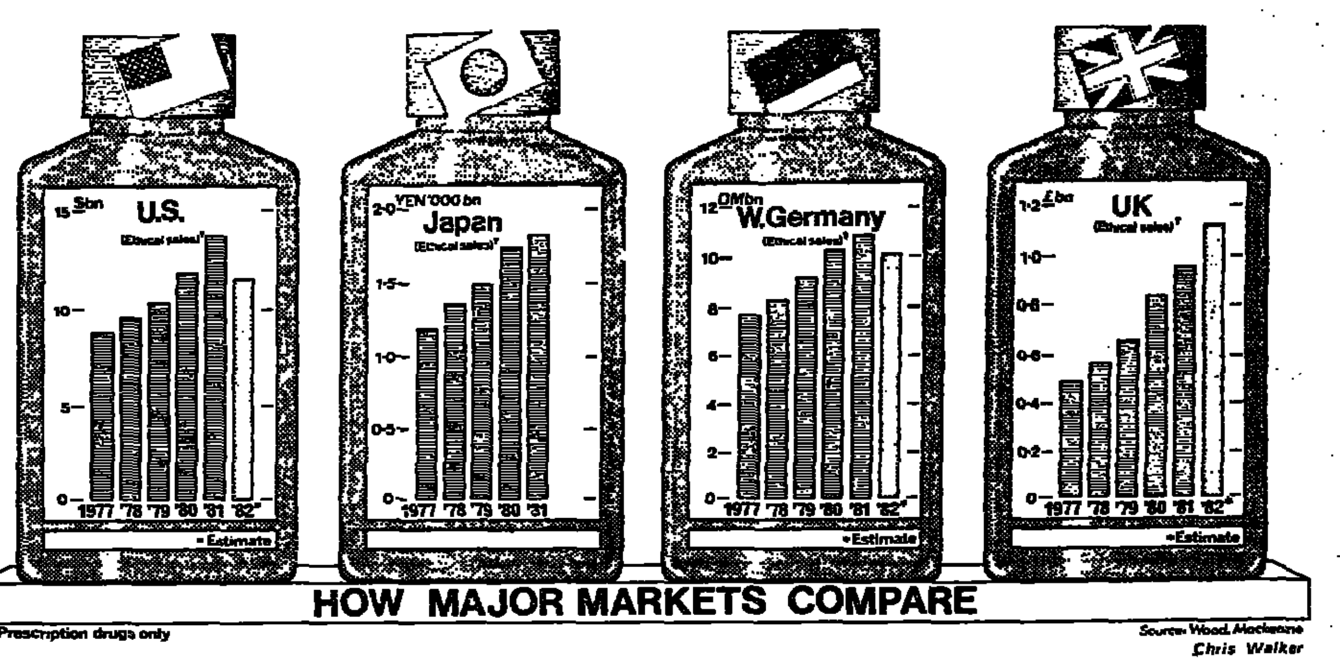
With one major proviso, that is a plausible argument. The reservation is that a trust of some sort will have to remain in existence. For the principle of preventing the organisation from passing into the hands of "any one interest group or faction" remains as important as ever. In fact, it is arguable that the trust needs to be strengthened, possibly by the appointment of more people from outside the newspaper industry as trustees. There seems no reason, however, why the institutions should not be able to devise a satisfactory formula which would ensure diverse ownership and the maintenance of proper standards.

That is what the Reuters directors should now be getting on with, not least to reassure the critics of the proposed sale. As for the general news service, the size of the network is something that has to be decided by Reuters on commercial grounds. The reputation for thoroughness and objectivity is an asset which any management would want to maintain. But no company can go on offering the same services in a changing market place, and expect to survive. If it had, Reuters would not be in its present fortunate position.

WORLD PHARMACEUTICAL INDUSTRY

The squeeze begins to hurt

By Carla Rapoport



* Prescription drugs only

Source: Wood Mackenzie
Chris Walker

THE industry which aims to cure disease is suffering from some serious ailments of its own these days. Although they have yet to be listed in any medical journals, FT researchers have compiled the following list.

Oraflexia nervosa: A nervous disorder which has infected drug companies and health departments world-wide following the recent withdrawal of a number of drugs. Side-effects: painful delays on new drug approvals; slow degeneration of public confidence.

Acute Viral Cost-Cutting Simplex: A rapidly spreading virus which is triggered by major government and private initiatives aimed at reducing the costs of health care. Particularly virulent strains reported in the UK, France, U.S., Japan and Greece. Side effects: profit growth deficiency for many affected companies.

Hyperprofitosis: An insidious disease which infects companies which are particularly successful at selling drugs. Side-effects: rashes of public outrage, increased government regulation, excessively excitable share prices.

Hashimoto's Revenge: A nervous disease which only infects large European and American drug companies; caused by the increasing success of Japanese companies in drug innovation. Symptoms relieved by rapid licensing of Japanese products.

Companies, of course, don't catch diseases. But the problems listed above are very real ones, which are seriously affecting drug companies world-wide. They are not of a life-threatening nature — the making and

Japan's growing strength in product launches

selling of drugs has been a robustly profitable business even during the recent recession. But in an industry in which losers are companies which earn 10 per cent on their sales as opposed to 25 per cent or more, the ranks of losers over the next year or so look very likely to swell.

The troubles have arrived on a number of fronts at once.

● A world-wide drive to contain health care costs is putting fierce pressure on drug prices and that pressure is expected to mount.

● The industry's public image has taken a drubbing in the past year as a clutch of new drugs have been taken off the market following reports of serious side-effects and deaths.

● The next line of products, which are expected both to cure a wide range of diseases and cause minimal side-effects, are still many years from realisation.

● For American and European drug companies the pressures are aggravated by stiffening competition from the Japanese who have targeted the sector as a crucial one for international growth. Traditionally strong in antibiotics, the Japanese are now moving into many other therapeutic areas.

The £80bn a year world pharmaceutical industry has long been dominated by a small group of American, West German and Swiss multinationals who discovered many of today's important drugs and sold them world-wide in an inconspicuous but highly efficient manner.

In order to maintain a powerful product range in every major market, these giants developed the technique of licensing drugs from smaller companies (and sometimes each other), usually reimbursing the licensee with a royalty fee.

In sales terms, this order remains, with companies like Hoechst and Bayer of West Germany, Ciba-Geigy and Hoffmann-La Roche of Switzerland and Eli Lilly and Upjohn of the U.S. still ranked in the top 15 companies world-wide as they have been for decades.

But this old order, in terms of profitability and product innovation, has been subtly shifting. Hoffman-La Roche, for example, has seen net profit margins shrink to 4 per cent in recent years because of the lack of new products to follow Valium.

At the same time, Smith-Kline from Philadelphia zoomed into the limelight on the strength of one remarkable product, Tagamet, the anti-ulcer drug. Glaxo of the UK looks to be on the same path with its own product for the ulcer market, Zantac.

Japan's growing strength is best reflected by the fact that over the past three years, its companies have been responsible for more than 25 per cent of the new product launches world-wide, compared to less than 10 per cent in the 1960s and 1970s.

On their own, these shifts are not necessarily damaging ones —the industry has always been a competitive high-risk one in which companies are often stuck with marketing old products vigorously while waiting for research to come up with something remarkable.

But shifting sands do not make an ideal base on which the industry can combat its current problems.

At the same time, its public image has lost some of its shine. The important advances in health that it has provided — such as helping to add an extra quarter century to the life expectancy of youngsters born in 1980, compared to their great-grandfathers born in 1900 — are now all but taken for granted.

People today have heightened expectations for medical breakthroughs and are more insistent than ever that their drugs should be effective, carry a modest price tag and be free of side-effects.

This last requirement is the most difficult for the industry. "We are not trading in magic and the public is not entitled to expect it," says Sir James Black, the prolific British scientist, now at the Wellcome Foundation, Britain's largest pharmaceutical company. (Sir James was responsible for developing two of the world's best-selling drugs, the H2-antagonists for ulcers and beta blockers for heart disease.)

Nonetheless, side-effects, real or alleged, have become a major issue.

Earlier this month, a judge in Columbus, Georgia, awarded a near-record \$6m in damages to the family of an 81-year-old woman who allegedly died as the result of taking an anti-arthritic drug made by Eli Lilly called Oraflex (Opren in Europe).

Oraflex was withdrawn worldwide last year following reports of a number of deaths associated with the drug's use in the UK.

Only this month, the issue was thrown into sharp relief by the decision of Britain's Health Department to pull yet another drug off the British market—the sixth significant drug withdrawal or suspension in the UK in just over a year.

The case is a particularly painful one for the industry as the drug's manufacturer, Farmitalia Carlo Erba, had been censured earlier in the year for promoting a drug by taking doctors on the Orient Express to Venice.

In a cluttered office in suburban Maryland, Dr Robert Temple, director of drug review at the U.S. Food and Drug Administration, expresses sorrow over these withdrawals. He and others believe that Oraflex was over-promoted, thus damaging the industry as a whole.

THE LEADING COMPANIES

	Company	Pharmaceuticals sales (\$m)	Profit (\$m)	Trading profit margin %
1	American Home Prods. (U.S.)	2,739	783	28.6
2	Hoechst (W. Germany)	2,610	na	na
3	Bayer (W. Germany)	2,435	na	na
4	Merck (U.S.)	2,419	543	22.4
5	Bristol-Myers (U.S.)	2,281	468	20.5
6	Warner Lambert (U.S.)	2,097	420	20.0
7	Pfizer (U.S.)	2,060	579	28.1
8	Ciba-Geigy (Switzerland)	2,037	na	na
9	Eli Lilly (U.S.)	1,891	529	28
10	Smith Kline (U.S.)	1,830	605	33

Source: Chemical Insight, which ranks the UK's Glaxo 16th, with sales of \$1.2bn, ICI 27th with sales of \$836m and Beecham 28th with sales of \$792m

"Well, it came back to bite them, it came back to bite everybody, to bite the whole industry," says Dr Temple.

The antidote for these bites, the industry believes, lies with producing safer, more effective drugs.

Across from Lilly's sprawling red-brick headquarters, a \$60m research complex is under construction. That facility, Lilly hopes, will give its scientists the resources necessary to find the answers to a host of chronic conditions, such as asthma and arthritis, as well as cancer and heart disease.

Scientists at the other major companies echo the same theme: the breakthrough to understanding the processes of the body at the cellular level is in hand. The next wave of drugs will actually direct themselves to the source of the problem, rather than affect the whole body. They will help to cure, rather than treat; they will help protect the body from attack.

Some of these drugs already exist, Tagamet and the beta blockers pioneered by ICI. But the next stage, scientists caution, will take between seven and 10 years before even clinical trials can begin. And in the meantime, the industry must fight off a challenge from another quarter.

Long tolerated by a public grateful for any new medical advance, the price of health care is now under serious review the world over

Statistics abound, but perhaps one of the most significant is General Motors' recent disclosure that it pays more for employee health insurance than it does for the steel in its cars.

Just last October, the U.S. Government radically changed the system for reimbursement for federally-sponsored Medicaid and Medicare programmes.

These schemes will now reimburse hospitals according to a fixed scale of fees, as opposed to an open-ended reimbursement per patient. In looking for economies, hospitals are expected to start by squeezing the drug companies.

Furthermore, doctors and hospitals throughout the U.S. are beginning to organise into units which promote themselves to companies as a cheap alternative to established health insurance programmes. These units, called Preferred Provider Organisations, are run by administrators who are already proving to be less receptive to salesmen bearing expensive new drugs when effective, cheaper therapy for the disease in question may already exist.

Similar moves have been catching on around the globe. British drug companies have recently been hit by a decision to cut their profits on sales of drugs to the National Health Service by about 20 per cent in order to reduce the £1.4bn NHS drug bill by around £100m a year.

Restrictions of this kind are already in force in France and Japan, while other countries, such as West Germany, are considering their own versions.

These actions have yet to feed through to the bottom line, but that may not be far off. "The auto industry looked great until it was mid-air flying off the cliff. I think the industry is in great danger. Before, it was always cost-plus, whatever it cost. Now governments are willing to pay the political costs of containing health care spending," says Mr Robert Marik, a vice-president at Merck.

"We're going to be seeing a lot more pressure on pricing, marketing and promotion worldwide," predicts Dr Bernard Canavan, a Scotsman who is president of Wyeth International, a division of American Home Products, one of the

'The only weapons we've got are better products'

world's largest drug companies.

"In fact, when they do put the squeeze on pharmaceutical companies, none of them go out of business. They complain and they bitch, but they are still there. So governments have an incentive to squeeze more."

The industry is already preparing itself for these cuts with a two-pronged strategy: one, find more cost-effective drugs; two, prove the cost-effectiveness of drug therapy through new research. Unfortunately, in the first case, many of the companies are rushing down the same road.

For example, every major U.S. company is now looking for a powerful, oral antibiotic which will need fewer administrations and will thus free hospital staff time for other chores. "Will we need 19 of these things?" asks an FDA executive.

Nevertheless new products are the key. "The only weapons we've got are better products," says Mr Barry Cohen, head of Merck's international division. "If we don't find them, then we don't deserve to succeed."

Men & Matters

Getty's fortunes

Those on Wall Street attuned to the affair feel that composer and arts patron Gordon Getty, who has been fighting for control of Getty Oil for the best part of two years, may be the prime beneficiary of Pennzoil's \$1.6bn bid for a stake in the company.

Pennzoil's chairman and chief executive Hugh Liedtke—who founded the Houston-based company with U.S. Vic-President George Bush—says that his move has been made independently of the Getty family and management factions.

But the divisions have given Pennzoil its opening—and once inside with a 20 per cent stake, it could play a decisive part in resolving the dispute.

Liedtke says he wants to "participate in a constructive way" in the restructuring of Getty, the 14th largest U.S. oil company.

Observers believe the simplest way of doing that would be to form an alliance with Gordon Getty, 50-year-old fourth son of founder J. Paul Getty, and sole trustee of a family trust that controls 40 per cent of the stock.

Despite his apparently powerful position, Gordon Getty has had little success in imposing his will on a defiant board, led by chairman Sidney Petersen.

Gordon tried to form an alliance with the company's current second-largest shareholder, the J. Paul Getty Museum, which owns 12 per cent of the stock, and is headed by former SEC chairman Harold Williams. But Williams refused to take sides.

The impasse led to the signing of a 12-month truce in October. But it has been short-lived.

J. Paul Getty Junior, Gordon's reclusive older brother who lives in England, is being joined by the board in suing to neutralise Gordon's control over the family trust.

"That's very reasonable—I'll have it!"

Richer pastures

One safe prediction for 1984 is that more of the best civil servants will leave Whitehall for higher rewards and more appreciation in the big wide world, and that there will be virtually no compensating inflow into the service other than a few secondments.

Sir Robert Armstrong, Cabinet secretary and head of the Home civil service, has long been wrestling with the problem of clever chaps stuck in the middle ranks in middle age because of lack of movement at the top—a problem which is not exclusive to the civil service.

One of the more notable departures during 1983 was Clive Priestley, an under secretary who acted as chief of staff to the then Sir Derek Rayner when he was Mrs Thatcher's man in charge of trying to shake some efficiency into Whitehall.

Priestley, aged 48, was tempted away from sweeping his broom round the corridors of power to become director of special projects at British Telecom—a half-way house to the private sector as it is due to become a private company towards the end of 1984.

Another departure has already been heralded for 1984. David Edmonds, one of the youngest under-secretaries when he was appointed to head the inner cities section at the age of 39 earlier this year, is leaving to become chief executive of the Housing Corporation.

Palace revolt

Some of the better-off citizens of Geneva living in the area of Collong-Bellerive on the southern side of the lake have shown a marked lack of seasonal goodwill towards King Fahd of Saudi Arabia. They are taking him to court.

The king's neighbours are complaining against the inconvenience and suffering caused them by the protracted construction of fortifications round his Italianate-style palace known as the Villa of Dawn.

Their list of complaints is formidable. The noise of construction, which has been going on for some years and will continue for more, is, they say, overwhelming. Trimming and polishing the marble embellishments has created a dust pollution and a health hazard, they charge.

Tall pylons have been erected for security television cameras which can probe neighbourly privacy. The radio transmitter installed in the palace attic is so powerful that it interferes with local television programmes.

Negotiations have been hampered by the number of foreign companies involved in the work, and by the fact that the king has diplomatic immunity.

Polite protests have come to nothing and a Geneva lawyer engaged by the House of Saud gave neighbours only a short hearing. Hence recourse to the courts.

Family group

A slightly less exclusive society than Britain's Tercentenarians' Club — companies that have maintained a link with the founding family for at least 300 years — is now flourishing in France.

The Henokiens, "men of Enoch," who like them was noted for his longevity (Genesis 5:21-22), have set their qualifying period at 200 years, but insist that member-companies must still be under the control of the founding family.

Among the members who met recently in Paris, several, as one might expect, testified to the preservative qualities of alcohol: wine companies like Hugel et Fils and Pasquier-Desvignes; the liqueur-makers Marie Brizard; and Rouyer Guillet, of Cognac.

Any British family businesses not yet old enough to join tercentenarians, like London bankers C. Hoare, and the Queen's button-makers, Firmin, would be welcome in the French society, says business historian Henry Button, of Christ's College, Cambridge.

The French have already admitted one outsider. Beretta of Italy, perhaps best known today as makers of James Bond's guns,

Observer

Letters to the Editor

Civil aviation policy review

From the Chairman and Chief Executive, Britannia Airways

Sir,—Lord King (December 20) did his best to disguise the irresistible fact of British Airways' market supremacy in UK civil aviation by strenuous attempts to reduce the vast scale of British Airways' relative operation.

True, British Airways is not a monopoly — nearly but not quite. However, Lord King's efforts to smudge the issue by suddenly remembering to include previously disregarded charter traffic and spurious arguments as to traffic shares were not helpful to his case and smacked of desperation. After all, a comparison showing British Airways' traffic share at Heathrow, which included all the foreign airlines' operations into that airport (the largest international airport in the world) could hardly be relevant in assessing British Airways' position within the UK civil aviation industry, which was the intention of his letter.

While agreeing with Lord King that financial return and disciplines are more likely to be adhered to in a privately-owned British Airways, the potential for profit in view of the airline's enormous network is so large that its capacity for wreaking havoc upon the small, yet vital, independent sector, whether by cross subsidy or simply swamping, is such that it cannot be overlooked.

In our capitalist society, competitive balance provides the most effective means for realising consumer benefits in service industries. British Airways' arrival unchanged upon the private civil aviation scene, huge and freed of political constraints, immediately raises the spectre of predatory activities and abuse of a dominant position, sufficient to return the civil aviation industry back to the days of the 1950s, when much of a very diminished private sector existed only by agreement with the corporations. This is not necessarily to criticise British Airways; after all, any self-respecting business strives for domination. Undeniably though, the consumer suffers.

Lately, British Airways had no compunction in using its privileged position with Concorde to promote a domestic service for competitive reasons. The shape of things to come. Justification for the major civil aviation policy review is clear.

Sheep's clothing ill fits the new-look corporation and few of those having real knowledge of the industry will be convinced by Lord King's protestations, preferring to believe that privatisation without further ado would be an invitation to lunch for the state airline.

D. H. Davison.
Britannia Airways,
Luton International Airport,
Luton, Beds.

Leaks, the Press and the law

From Mr S Alderson

Sir,—Is it permissible for the Court of Appeal effectively to overrule a possible contrary judgment by the House of Lords?

Your leader, "Leaks, the Press and the law" (December 20) urges that the Guardian should still pursue its case to the House of Lords—clearly, at great expense—since Section 10 of the 1981 Contempt of Court Act has apparently not been applied in the way it was intended—namely to allow newspapers to protect their sources of information. And certainly, any moves which seek to legitimise interference with the freedom of the Press to seek, receive and impart information must be watched and countered with utmost vigilance.

You also conclude: "The general point is that there is something wrong with a system of government which is recurrently throwing up problems about secrecy. Too many documents are marked secret in the first place and too many decisions are made in private when they could be made more openly. The result is a temptation to leak and, from time to time, the bringing in of the clumsy apparatus of the law."

The Press and other media are well aware that one particular measure that would greatly contribue to easing this situation in Britain would be the introduction of a Freedom of Information Act onto the statute book—thus giving a public right of access to official information—in common with the U.S., Commonwealth countries (Canada, Australia, New Zealand) and most of the countries of Western Europe.

Significantly next year in Britain will be marked by a 1984 Freedom of Information Campaign. The Press and other media should vigorously join it and promote it. Otherwise—as the recent report by the International Press Institute on the lack of Press freedom in the world portends—you and other respected British journalists may well soon be joining those of your colleagues elsewhere who are increasingly threatened, prosecuted, jailled and silenced. UNESCO'S ominous "new world information and communication order" is at hand in Orwell's 1984.

Stanley Alderson.
7, Highfield Avenue,
Cambridge.

Future fighter aircraft

From the National Organiser, —Aerospace, Technical, Administrative and Supervisory Section, Amalgamated Union of Engineering Workers

Sir,—Your report (December 16) that the RAF air staff has signed an agreement in Bonn, to co-operate with four European Governments for the next generation of fighter aircraft required by them, has at least fulfilled our union's statements that the British Government will require such an aircraft and that it should be responsible financially for the procurement of the aircraft.

If the Government is not prepared to do this in defence of the nation—who should?

Up to now, British Aerospace (in co-ordination with MBB of Germany and Air Italia of Italy) has been designing and building a prototype agile combat aircraft (ACA). This has been done solely on a private venture basis. The Government has continually refused any involvement technically, financially or operationally. This position was confirmed as recently as November 17, in a letter from Geoffrey Pattie, Minister for Defence Procurement: "The Government has no commitment to the ACA as such and its financing is therefore a matter for the firm's involvement."

Now that the Government has backed the RAF in its outline air staff target, it means that the RAF has stated a requirement and the Government accepted it.

The Government has previously agreed to fund an experimental aircraft programme (EAP) based on the privately financed ACA in order to decide the aircraft to replace Phantoms and Jaguars. The new outline target you report is that aircraft.

The EAP therefore needs to be upgraded and extended to a full demonstrator aircraft with the Government financially committed to it and the RAF involved in its development to meet its requirements. The timescale for RAF service introduction is the early 1990s. This demands an urgent and intense effort on improving current technology through this demonstrator aircraft.

As with the civil programme on the A320 which the French Government is already financially supporting, so it is also committed to the ACT/ACX tactical combat aircraft programme. Unless the British Government is willing to be equally committed and involved, then the European concept may not be the true collaborative partnership which will be mutually beneficial, and indeed, essential to the future of Britain's aircraft manufacturing capacity.

Chris Darke,
Onslow Hall,
Little Green,
Richmond, Surrey.

Learning from mistakes

From the Student Campaign Leader 1983-84, Education for Industrial Society

Sir,—Brian Groom (December 21) highlights the success of Formica's labour relations, due primarily to the practice of participative management.

It is sad that the work of The Industrial Society — which includes the promotion of quality circles, effective communication systems and single-status staff facilities as a means of increasing employee involvement and thus (as the Formica example shows) improving the efficiency, effectiveness and competitiveness of British industry — is only now being stressed by the CBI, Engineering Employers Federation and Institute of Directors.

Sadder still is the motivation behind this "tripartite drive." Through the Vredeling and fifth directives, our economic and political partners seek to ensure that Britain can share in the secret of their industrial success. Rather than recognise the merits of, employee involvement, the tripartite body implores British industry to hastily establish a few participative schemes so that the Government may quote the existence of such practices in justifying its veto of the EEC proposals.

The recommendations of the Bullock Report were declared to be "too much, too soon." Surely, ten years later, with 3½m unemployed and a rapidly declining share in world markets, British management is well overdue for a review of their style of management. Or does British industry *always* have to learn the hard way — from its mistakes?

Jill Wright.
48, Bryanston Square, W1.

Radical measures in the City

From the Chairman, Wider Share Ownership Council.

Sir,—The warnings expressed by John Plender (December 21) deserve to be taken far more seriously than, in the present atmosphere of radical euphoria, I fear they will be.

John Plender does well to remind us that the secondary banking crisis of 1974 was facilitated, if nothing more, by the change of regulatory policy embodied in competition and credit control. That episode is of course the dramatic illustration of how easily things can go wrong; but the heart of the matter, as John Plender points out, is the danger of ignoring the fundamental distinction between principal and agent. It is the abuse by principals of their (undesirable) responsibilities as agents which has been the root of practically all major scandals, not merely in the City of London but in every other financial centre—and which renders financial communities wide open to attack by the many enemies of the capitalist system. The latest, most conspicuous—and saddest—case is, of course, Lloyd's, but similar malpractices have disfigured many other areas of the financial sector—including some flagrant instances in the early history of the otherwise admirably self-regulated industry of unit trusts.

My American friends and contemporaries have often told me that if the Securities and Exchange Commission had not been imposed on them they would have had to invent it. The justification of that statement is, of course, the excesses of 1928 and the traumatic sequel of 1929-33. The all too probable outcome of present trends in London will be a reinforced statutory framework which any Government other than the present one would be likely to convert into a full scale SEC. I do not believe that such an outcome would be in the best interests of either the City or the investors of the future. I can only hope that the current process of rejecting the systems which have served us well in the past in favour of a framework calculated to multiply conflicts of interest will be arrested before it is too late.

The trading floor

Edgar Palamountain.
126 Hayes Lane, Kenley, Surrey.

Youth unemployment and pay

From Mr A. Johnstone

Sir,—I refer to two articles in your paper relating to the charity Youth Aid which earlier this year stated that youth pay and jobless levels are not connected and the article of December 19 entitled Range of jobs open to young "reduced."

The latter article states that "although the loss of manufacturing jobs has been offset by an increase in service sector employment, this is often a case of full-time jobs being replaced by part-time jobs." The reason for this is economic, it is cheaper to employ two part-timers than it is to employ one young person. The part-time personnel are usually of a mature age, responsible in their attitude, and economical workers.

A recent Rotary conference debated the problem of youth unemployment in the 1980s: Rotarians, the majority of which are employers, after extensive deliberation came to the conclusion that young people were being priced out of the market, bearing in mind what they had to offer an employer. The wages councils for the non food trades have proposed a further increase of £4 per week which will make the situation worse.

On leaving school young people have the right to expect an opportunity to work, not necessarily a good job, an opportunity to a start in the life of work. Having got a start they then have the opportunity to prove their worth to an employer who will have to upgrade their standard of pay to keep them.

All the Government schemes in recent years have tried to compensate, in the process spending millions of pounds, to correct the damage caused by wages councils specifying minimum rates for young people. Until the time comes when the market place dictates the value of young labour then society will be faced with a problem. The greatest crime of all is the fact that society is discriminating against the young that only want an opportunity to prove what they are worth.

Archie M. Johnstone.
Community Service Committee,
Rotary International Great Britain and Ireland,
27, Wouldham Road,
Borstal,
Rochester, Kent

Carping at rate capping

From the Chairman, City of London Ratepayers' Association

Sir,—I am becoming increasingly fed up with Members of Parliament and newspapers carping at the proposals for rate capping.

Ratepayers who suffer the great misfortune of living in areas run by profligate councils are perfectly happy that their councils should have their spending power controlled by central government. Nothing else has worked nor would work with them.

Here in the City of London, faced with the closure of small businesses, and the hardship suffered by residents resulting from the absurd level of rates levied by GLC and ILEA, we cannot allow ourselves the luxury of philosophical debate on local democracy.

In any event, bearing in mind that central government (i.e. taxpayers) contribute more than 50 per cent of local authority finance, why should not central government have a very strong say indeed on how that money should be controlled?

The only complaint from ratepayers in the City about rate-capping is that it is being imposed a year too late!

C. Douglas Woodward.
c/o 1 Milton Court,
Barbican, EC2

Interest in pension schemes

From the Director, The Industrial Society

Sir,—We were surprised to see recent Press reports that the trustees of a pension scheme had made a substantial payment from its fund to the employer to help his cash flow, as agreed by the Superannuation Funds Office which had approved the scheme. On enquiry that office confirmed that this aspect of its practice had been relaxed, so that, although the Revenue wished to consider the circumstances of similar proposals, the SFO would not expect to raise any objection in principle, if the periodical actuarial valuation showed a surplus.

This appears to be a development of the requirement for Revenue approval that a fortuitous surplus on winding-up a fund must be paid to the employer. Apparently the Revenue now sees little difference between a surplus on winding-up the trust and the "surplus" which the actuary would agree is calculated simply on his judgment of future trends.

The possibility of payments from the fund during its lifetime may not now alarm the Revenue. It can hardly fail to arouse concern in the members, particularly if they have contributed to the scheme. Perhaps the strongest argument for funding employee's pensions is to give them security that the fund assets are finally alienated from the employer's assets so that whatever happens the fund is sacrosanct and available to provide the employees' pensions. This is the whole meaning of a trust. The trustees are in a fiduciary relationship, not with the employer but with the members. They will surely think long before they risk actions for breach of trust by the members.

In these circumstances is it wise for the Revenue to change its practice particularly because in many cases no tax would be payable on the lump sum paid to the employer?

John Garnett,
3, Carlton House Terrace, SW1.

Britain's best-selling books

The rising of the lark

By Arthur Sandles

IF THERE is one business that welcomes the long winter nights and the season of goodwill, it is the book trade.

Fragmented, idiosyncratic, a world which retains its image of being one of gentlemanly amateurs under threat from pushy professionals, the book-set looks to the dark days of the year for its brightest moments. And very bright they can be.

By the end of the present selling season this winter's hardback hit, The Illustrated Lark Rise to Candleford, will have sold a shade under 200,000 copies. At £12.95 a copy that is not bad going by any standards (although, it is true, a number have been sold in book club versions). Hard on the heels of Lark Rise in its latest form have come such old regulars as a new cookbook from Delia Smith and yet another Guinness Book of Records. A Guinnless winter is unthinkable.

BEST-SELLERS

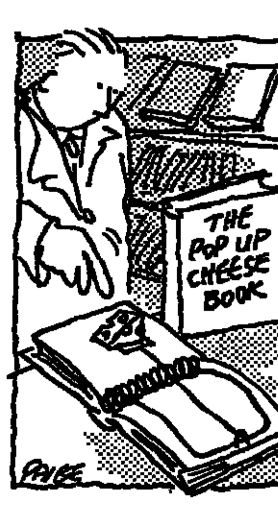
HARDBACKS

1 The Illustrated Lark Rise to Candleford: Flora Thompson (Century, £12.95).
2 Delia Smith's Complete Cookery Course (BBC, £10.95).
3 The Guinness Book of Records (Guinness Superlatives, £5.95).
4 The Danger: Dick Francis (Michael Joseph, £7.95).

PAPERBACKS

1 The Secret Diary of Adrian Mole, Aged 13¾: Sue Townsend (Methuen, £1.50).
2 Giles Cartoons (Express Books, £1.60).
3 How to be a Wally: Paul Manning (Futura, £1.50).
4 Master of the Game: Sidney Sheldon (Pan, £1.95).

SOURCE: BBC Bookmark



Paper-back readers tend to go for less meaty stuff. Here, How to be a Wally and the Complete Naff Guide, have guffawed their way up the charts in pursuit of Adrian Mole and his Secret Diary and that hardy annual, Giles Cartoons.

Lark Rise, in the edition published by Century, is regarded as something of an oddity in the trade. It was initially published in April last year, very early indeed for any book which is intended for the Christmas lists. At nearly £13 is also steeply priced, particularly for the gift market which tends to see £10 as a psychological barrier these days.

So unenthused was W. H. Smith when the volume was first launched that it took only 1,500 of the first run of 30,000 as an initial order. "They did that in spite of my weeping at their feet and begging them," says Century managing director Anthony Chartham. Without any hyping, sales climbed slowly by word of mouth. In the end, it stayed in the best seller list for more than half the year.

In fact the one bit of major promotion that Mr Chartham did lash out on, a £25,000 television advertising campaign, drew a complete blank in terms of audience reaction. "Either we did not spend enough or it was a terrible ad," he says. By and large, however, he is now convinced that unless a publisher can afford 10 times his £25,000, television may not be worth the risk.

Instead Mr Chartham, and most of his rivals, push most of their eggs into the point of sale basket. "Getting the bookshops to stock the thing is the major task," said one publisher, "and giving them publicity material to go with it."

Point of sale promotion is suggested as a major reason for the resounding success of the Jonathan Miller/David Pelham book The Human Body, for Cape.

Cape's success in getting it into bookshop windows in November and December was remarkable. The popout figures in the book made it a natural for such displays and Cape maximised this opportunity by providing bookshops with a simple stand to hold open the pages or, for the more valued outlets, an electronic gadget which actually turned the pages in the windows.

Obviously publishers are not going to do this sort of thing for all their books. "To say that we pick one or two books to push hard each month is fair comment" comes the reply. "It is difficult to show wild enthusiasm about everything, and you have got to enthuse your sales force and then they have to carry that enthusiasm to the booksellers."

There are some grocery salesmen who might see that as defeatism. But in the books trade, the cruel realities are that more than 26,000 titles are published in Britain each year but the average shop stocks only 300-400. A huge slice of the impulse buy market goes through outlets which only stock a few dozen.

Even in the paperback business, where it might be expected that the hit rate would be higher, there is a tendency to promote one or two major lines, particularly for Christmas. This result is firmly reflected in the top ten lists. No one publisher has a string of hits. Each house has its bite at the big league cherry.

Pan, with both Master of the Game and The Meaning of Liff in the paperback ratings for the festive season, is about as near as you can get to exceptional success. Once again, Pan is seen to have broken one of the rules in climbing to the top. "We took a risk with Sidney Sheldon's Master of the Game, but we thought he was strong enough to win through."

Few publishers like to pitch their prestige fiction authors into the Christmas fray. "They are likely to get buried beneath the funny books," says Pan.

In both the paper-backs and the hard-backs novels are towards the end of the top 10 lists. There are only four in the hard-backs, including Dick Francis' latest adventure of the horse world, The Danger

Less predictable, but generally greeted with delight, has been the fact that a large number of people seem to have chosen Maeve Binchy's Light a Penny Candle (Coronet) for their Christmas stockings.

It should be said that the publishers do not abandon the rest of their lists at Christmas. Pan has been steadily supplying shops with its regular lines of natural history books and Penguin has been going great guns with 1984, helped not only by the date but also by the book's selection for GCE O-level English studies this winter.

The attitude of W. H. Smith towards a book is clearly crucial. With one fifth of the market in its hands, and probably proportionately more of the mass book business, whether or not Smith stocks a volume can be a make or break move for an author or publisher.

Smith leaves hardly any decision making to its branch managers. Christmas buying decisions are made centrally in the early autumn. So huge is the company that it sub-divides its book buying departments into sections such as cookery, art, and paperbacks. These departments report to a central merchandising office where the final key choices are made.

A hidden aspect of this year's winter book fare is the real impact of own-brand books on the £610m annual market. Marks and Spencer has around 150 books on its shelves this winter under its own label, and the minimum run for each is 100,000. If they sell only reasonably well that would be enough to dominate the normal league tables. A hard-back is normally doing extraordinarily well in Britain if it sells 1,000 a week, although in the two weeks before Christmas 3,000 would probably be needed to get it into the ratings. A good paper-back first print would be around 250,000.

What the book trade fears is not that these own brand books will replace the Dick Francis, Sidney Sheldon or Maeve Binchy business, but that they will nibble away at the gardening books, the cookery books and the travel guides that are the bread and butter upon which the small town bookshop survives.

FINANCIAL TIMES

Thursday December 29 1983

Financial Times correspondents report on European steel restructuring

Klöckner, Krupp link forging divisions

By James Buchan in Bonn

KRUPP STAHL and Klöckner-Werke, the West German steel companies, yesterday surprised the industry by announcing that they were merging their open-die forging divisions.

The new company, to be called Schmiedewerke Krupp-Klöckner and to be based in Bochum, is expected to have annual sales revenues of DM 600m ($218m), a workforce of 5,000 and capital of DM 120m.

The decision which was taken after brief negotiations on Friday and which has to be approved by the companies' supervisory boards, took the Ruhr by surprise.

It was felt that despite the failure in November of attempts to merge Krupp's bulk and special steels with Thyssen, the two companies would proceed with a fusion of their division making open-die forgings, such as large-scale crankshafts, piston-rods and turbine housings.

Fried. Krupp, the Krupp Stahl parent, said yesterday that the talks with Thyssen had failed not because of the recrimination over the collapse of the bulk steel merger but because Thyssen was unwilling to bring in its titanium operations.

Krupp and Klöckner said yesterday that the merger might save some DM 80m a year in costs. The companies employ 3,000 and 2,400 people, respectively, in their forging divisions.

● Stahlwerke Peine-Salzgitter said it suffered a large unspecified loss in the year to September 30, 1983, after of post-tax profits of DM 55m ($20m) the previous year, **adds Reuter, from Salzgitter.**

Stahlwerke added that its overall sales fell 17.6 per cent to DM 2.31bn.

BSC's loss-cutting plans back in the melting pot

BY PETER BRUCE IN LONDON AND MARK MEREDITH IN EDINBURGH

THE COLLAPSE of plans to link the British Steel Corporation's (BSC) Ravenscraig plant in Scotland and U.S. Steel's Fairless works in Pennsylvania, announced on Tuesday, has thrown back into the melting pot the UK state-owned steel producer's plans to reduce losses.

The big Ravenscraig works east of Glasgow had won two bouts for *its own survival, but the going is* now likely to get tougher.

A year ago the Conservative Government of Mrs Margaret Thatcher intervened to prevent the closure of the Scottish works, which Mr Ian MacGregor, the former chairman of BSC, had wanted to shut as part of his plan to stem the corporation's huge losses.

Total BSC losses in the six months to October 1 this year were £98m ($140), down from £486m last year, on turnover of £1.05bn (against £1.1bn).

It is clear that U.S. Steel was always calling the shots in its negotiations with British Steel involving crude steel-making at the two plants. Demand for steel in the U.S. is expected to grow about 15 per cent next year, to reach between 76m tonnes and 80m tonnes. Mr MacGregor dearly wanted BSC to have a stake in this recovery but U.S. Steel asked BSC to pay too *high a price – $600m – to buy its* way into the joint venture.

It is also clear that Mr Robert Haslam, Mr MacGregor's successor as chairman of BSC, feels that three strip mills in Britain is still one too many.

With a £171m modernisation plan already under way for the Port Talbot works in Wales, the corporation has to decide the futures of Ravenscraig and Llanwern in Wales – and possibly between the Scottish and second Welsh plants.

Mr Haslam is likely to hold talks with the UK Government early in the new year with a view to reviewing BSC's corporate plan. For all concerned, it seems, this will boil down to much the same political and corporate juggling act which resulted in last December's decision by the Government to continue steelmaking at all five of the corporation's integrated works. There are, however, some new difficulties.

Most important in the medium term, *BSC's modernisation of the* Port Talbot strip mill will require standby rolling capacity for the next 18 months or so. Also the giant blast furnace at Redcar on Teesside in north-east England will have to be relined – an operation which could take two years – towards the end of the 80s and the corporation might then require standby iron making capacity.

The closure of Ravenscraig, which Mr Haslam is likely to present as an option to the Government, would deeply weaken BSC's flexibility in dealing with these situations.

There is also at least the prospect of new minimum price limits, recently agreed by European Community ministers, actually working.

A halt – or even a slowdown – of the discounting which has swept the EEC markets in the last six months would dramatically improve BSC's trading position and *the Government might want to al*low the new price regime time to take hold.

As British Steel formulates its plans to put to the Government, the background lobbying *might* well take this shape: inside the corporation, a managerial struggle arguing the merits of Ravenscraig and Llanwern; outside, a renewed political offensive arguing against any closures and warning of the dire social consequences were either mill to go.

The managerial discussions will be dominated by questions of costs. The unit costs of both Llanwern and Ravenscraig are thought to be about the same but the crunch comes over the modernisation proposals.

Llanwern does not have continuous casting, the energy-efficient, labour-saving method producing steel slabs in one operation and works executives are pressing for an investment estimated at £50m to install it. *Steel is currently produced* by first pouring steel into ingots and reheating them to make slab.

Virtually all steel produced at Ravenscraig is continuously cast. Currently, £2m in improvements to the casting operation are under way and management at the Scottish plant want to install a further casting stream.

A third continuous casting machine would ease a bottleneck created at the plant earlier this year when production of ingots was stopped.

The two machines, one of which supplies most of the slab required by the plates division, are unable to match the capacity of the blast furnaces which have had to be run down to dangerously low levels to feed the *limited* continuous casting requirements at the works.

With the strip division's losses running at about £5m a month Ravenscraig could be expected to *argue that it is easier to save mon*ey by making relatively inexpensive improvements compared with a fundamental investment in Llanwern.

Politically the protection of Ravenscraig produced a unity seldom seen across the political spectrum in Scotland. Mr George Younger, the Secretary of State for Scotland, openly opposed closure and was publicly sceptical about the swap proposals.

The potential rise in orders for North Sea oil platforms is also likely to work in favour of Scotland.

Belgian talks on Cockerill package

By Ivo Dawnay in Brussels

THE BELGIAN Cabinet will resume talks today on a restructuring package for Cockerill-Sambre, the ailing state steel group.

The ministerial discussions, which are expected to continue tomorrow, follow agreement at an extraordinary shareholders' meeting yesterday on a series of measures proposed by the board, which increase the Government's stake in the company from 81 per cent to almost 95 per cent. The new sale of non-voting stock, made exclusively to the Government, now capitalises the company at BFr 37bn ($657m).

Shareholders were also told yesterday that the Government had set a deadline of the end of March for the implementation of several other restructuring proposals.

All the measures, at a cost of BFr 27bn, would be possible only if they conformed with EEC plans for the industry and also won the Belgian parliament's approval, the board said.

It is that question that has been *occupying ministers. Today's talks* are expected to centre on ways of skirting a ruling by the Council of State, the constitutional watchdog, indicating that funding the company through regional aid might be illegal.

An alternative proposal to find the finance on a year-to-year basis through the budget is now understood to be favoured by the Government.

Government sources said yesterday that there was growing optimism that a plan might now be reached that would be acceptable to Parliament. Belgian steel unions continue to protest, however, against any plans that might involve a big reduction in the workforce.

THE LEX COLUMN

Cold comfort for the oil sector

The Arctic blast in the U.S. has created havoc in the futures market for orange juice, but most of the interest from the British side of the Atlantic has concentrated on the impact on the oil market. On Tuesday, the first trading day in the U.S. after the severe weather settled in, spot and crude prices jumped more than $1 a barrel as traders hurried to cover positions established on the expectation that the oil market would remain weak.

The correction was transmitted into European markets when they reopened yesterday, and Brent spot ended the day about 70c higher at $29.50.

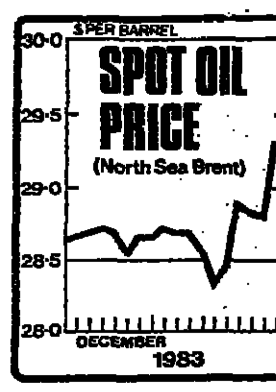
The scale of the reaction to changes in the weather is a pointer to the delicate balance in the oil market. A mild early winter created a measure of industry destocking in the fourth quarter, and consequent price weakness. That pressure was intensified by traders' memories of the events at the beginning of the year, when Opec lost control of the oil price. A recurrence always *seemed unlikely, however, since the* Saudis are now back in firm control of Opec and underlying demand from the developed world is turning up again.

*Nevertheless, the market is ex*tremely sensitive to the short-term level of stocks, built up on the natural working assumption of an average winter. The U.S. now looks set *for a colder than average first quar*ter, so there may be some scrabbling to build up stocks there. So far the European experience remains exceptionally mild, however, which should limit the reaction in the spot markets.

At current levels, though, the spot and contract pricing structures are comfortably in line, which should *soothe the market's nerves.* The quoted companies have already started to respond, with a 1.3 per cent gain for the sector yesterday.

Nevertheless, relative to the All-*Share the sector remains about 15* per cent below its high point in late September, and only 12 cent above its March low point, leaving scope for further gains.

The majors look a safe investment, but the North Sea stocks, which have lost practically all of their 50 per cent gain between March and September, may be one *of the more exciting vehicles of the* next few months.



Overseas investment

The institutional investment figures for the third quarter of this year confirm that the momentum of overseas investment by insurance companies and self-administered pension funds is continuing to slacken. Net purchases of foreign equities declined almost 40 per cent compared with the same quarter of 1982, to £410m.

The figures may not be strictly representative of the underlying trend, since gilt-edged funding during the period was exceptionally heavy – sales to the non-bank private sector amounted to £3.8bn in *the three banking months to Sep*tember – and some institutions which had built up their overseas portfolios ahead of the June general election were no doubt keeping *fresh commitments* to a minimum.

Yet anecdotal evidence suggests that the fourth quarter has seen a further decline in the proportion of institutional cash flow directed overseas, which must be extremely comforting to the Treasury as it ponders ways of whetting the institutional appetite for British Telecom and other goodies in the next financial year.

As they rule off their 1983 balance sheets, fund managers may wish they had taken a less cautious view of overseas exposure. The latest international return figures from brokers Wood Mackenzie, including all but the last fortnight of 1983, show this year's bull market in London has been a fairly tame affair by some standards.

The total return from the Capital International World Index was 37 per cent in sterling terms, nearly two fifths above the return from the FT All-Share Index. This admitted*ly reflects a heavy U.S. weighting* and the strength of the dollar but, even in Europe, few markets have underperformed the UK in either sterling or local currency terms.

The Scandinavian markets continued as high fliers while, after years of neglect, the larger Continental bourses – Frankfurt and Amsterdam – responded to the growing evidence of a recovery in demand.

For the adventurous, however, there was no match for Mexico which, after threatening to disappear off the bottom of the world index in the previous two years, *showed a total return in sterling* terms of no less than 286 per cent.

International Dealers

The London Stock Exchange's rules defining the behaviour of the new International Dealers (IDs) have the air of a brave attempt to stop deregulation running away with itself when these semi-autonomous entities start trading foreign securities next April.

For a start, the most enticing possibility – taking blocks of UK shares offshore for untrammelled *trading – has been explicitly ruled* out. IDs will not be allowed to traffic in domestic stock, even as dressed up in foreign-sounding paper; depositary receipts are definitely off limits.

At the same time, the IDs are to be excluded from the stock exchange floor. Presumably an attempt to stop outside minority holders from acquiring effective stock exchange membership by the back door; this proscription is justified by a curious reference to the fact that IDs will be conducting their business largely by telephone. They will hardly be unique in that.

The exchange is aiming to keep its disciplinary hold on the IDs by ensuring that stock exchange members always have more than half the equity in any ID, while the subsidiaries which IDs set up for dealing in overseas markets will in turn have to be more than 50 per cent owned by them.

This seems a fair attempt to reconcile regulation with a welcome to outside sources of capital. As with the rest of the structure, however, if dealers find it inconvenient they will doubtless find ways of walking round it. No one really imagines that if the centre of trading in Glaxo or ICI shifted decisively to the ADR market in New York, that *these rules would inhibit London* firms from trading there.

Difficult times for the big jet builders

BY MICHAEL DONNE IN LONDON

THE WORLD'S aerospace manufacturers had a poor year overall in 1983. *Although* some large new jet orders were placed, the total inflow for the "big six" airline manufacturers amounted to only 232 aircraft, worth more than $7.3bn.

That compares with 262 aircraft in the previous year. Those orders were, however, worth less, about $5.35bn.

One reason for the higher value *of orders in 1983* is that Boeing, which has benefited from the breadth of its product range, has sold more of the bigger, more expensive 747s – 24 against 14. With those jets averaging $90m to $100m each, that inflated total sales values substantially.

In addition, more of the new-generation Boeing 757 and 767 twin-engined airliners were ordered and the prospective new Airbus A-320 began to pick up orders. British Aerospace was also successful with its BAe 146 regional four-jet airliner.

Although signs of an upturn in passenger traffic in the latter part of 1983 indicated that a recovery from the recession was under way, it is not yet being reflected in orders for aircraft.

The extent of the decline in orders during the recession can be gauged by comparison with the annual inflow of new jet orders in the late 1970s: about 700 aircraft a year worldwide.

The leading manufacturers are still living off those backlogs, and some have had to trim their production rates substantially in 1983.

One important builder, Lockheed of the U.S. has announced that it is *halting commercial jet airliner* production (of the TriStar L-1011), although it will continue to manufacture general transport aircraft, such as the Hercules turboprop, and large military transport jets.

Another big jet builder, McDonnell Douglas, has abandoned plans to develop some new types of civil airliner, such as the MD-100 replacement for the DC-10 tri-jet and MD-90 100-seater airliner, because of market limitations. It is continu*ing to build its highly successful* DC-9 twin-jet airliner.

Airbus Industrie, the European airliner manufacturing group, is, however, determined to expand its product line, and is promoting its new A-320 narrow-bodied 150-seater twin-engined aircraft.

The table shows how successful Boeing has been, even in a comparatively poor year. Production of the 727 short-to-medium-range tri-jet has ended. But the smaller, twin-engined 737 has taken its place as the world's best-selling jet.

Concorde fares row, Page 4

COMMERCIAL JET AIRLINER ORDERS IN 1983

Manufacturer	New orders in 1983 (type and number: 1982 in brackets)			Value in $ * (approx.)	Total ordered to date, all versions of each model (a)	Total delivered to date (to mid-Dec.)
Airbus Industrie	A-300	–	(3)	–	244	215
	A-310	6	(14)	$280m	108	17
	A-320	12	(35)	$300m	47	– (b)
Boeing	727	1	(11)	$20m	1,831	1,826
	737	68	(72)	$1,188m	1,118	1,002
	747	24	(14)	$2,160m	619	593
	757	26	(4)	$1,014m	149	27
	767	16	(4)	*$736m*	185	75
British Aerospace	146	24	(2)	$350m	38	9
Fokker	F-28	7	(25)	$80m	215(c)	208
Lockheed	L-1011	5	(–)	$200m	249	244
McDonnell Douglas	*DC-10*	*1*	*(–)*	*$58m*	*427(d)*	*386*
	DC-9	42	(78)	$960m	228	143
Totals		232	(262)	$7,345m	5,458	4,745

** Values vary widely between contracts, especially if spares are included. (a) Options not included. (b) Production not yet begun. (c) Some unannounced orders not included. (d) Includes 60 KC-10s*

U.S. says it will leave Unesco

By Paul Betts in Paris

THE U.S. gave formal notice yesterday of its intention to pull out of the Paris-based United Nations Educational, Scientific and Cultural Organisation (Unesco).

The decision is the climax of months of growing controversy between Washington and Unesco with the Reagan Administration showing increasing exasperation at what it regarded as the anti-U.S. politics of the agency.

By leaving Unesco, the U.S. will *deprive the agency of a quarter of* its budget, which was recently fixed at $374.4m for 1984 to 85. At the general assembly of the organisation last November, the U.S. had been *the only nation to vote against the* compromise budget proposal, which represented a 4 per cent increase over the previous budget.

But the U.S. move does not only *reflect the Reagan Administration's* refusal to see any increase in the agency's budget – Unesco had sought a 6.1 per cent increase for the coming year. Like other West*ern nations* the U.S. has long found unacceptable the agency's plans to introduce a so-called "new world information and communication order" to give governments control over the flow of news and information.

Another point of deep contention has been Unesco's general approach to Israel, which the U.S. has found unacceptable. Indeed, a vote by the assembly to impose sanctions on Israel led to an earlier withdrawal by the U.S. from the agency in 1975 and 1976.

The U.S. subsequently rejoined Unesco and paid the two years of contributions for the years it left the organisation.

The latest decision to withdraw had been in the air for some time. The formal decision was given to Mr Amadou Mahtar M'Bow, Unesco's influential but controversial director general, by Mrs Jean Gerard, the U.S. delegate in Paris.

But the U.S. will not immediately leave the agency, since under Unesco rules a member country must *give a year's notice before with*drawing from the agency.

The U.S., like other industrialised "rich" countries, had also felt increasingly vexed by the agency's built-in voting majority of Third World countries. Encouraged by the Soviet Union, that has helped Unesco to become increasingly left-wing and anti-American during recent years.

Florida oranges freeze

Continued from Page 1

had been affected. Most big orange-juice manufacturers had already bought supplies for forward delivery, but "spot" market prices had been marked up sharply.

Terry Byland writes from New York: Prices on the orange-juice futures market here rose for the second day running by five cents a pound – the maximum permitted daily increase. That put the January contract at $1.43 a pound.

Mr Joe O'Neill, executive vice-president of the New York Cotton Exchange, said there were "all buyers and no sellers" for orange-juice at present. The decline was accelerated by reports that temperatures in Florida were likely to exceed 70 degrees Fahrenheit, well over the traditional winter levels of 60 degrees.

Spain puts further curb on money-supply growth

BY DAVID WHITE IN MADRID

THE SPANISH authorities have put a brake on monetary growth by sharply increasing banks' compulsory deposit requirements.

The new rules, sent out to banks in a circular yesterday, are the latest in a series of measures during the year to drain off excess liquidity. They are aimed at keeping inflation to the Socialist Government's target of 8 per cent for 1984, compared with an estimated 12 per cent this year.

The Government in October announced its plan to change the system for compulsory deposits to take account of new money-market instruments that have distorted the picture of the money supply.

Such quasi-money assets are to be brought into the figure on which banks compulsory deposits are calculated over a three-year period. Non-bank financial institutions will also be gradually subjected to deposit requirements.

The new rates to be applied next year raise the total of non-interest-bearing and interest-bearing deposit requirements from 11.75 per cent at present to 18 per cent. The first category will be reduced from 7.75 per cent to 5 per cent and the second – tripled from 4 per cent to 13 per cent – will carry a fixed interest at the Bank of Spain of 13.5 per cent instead of the 10 per cent currently paid.

The Spanish Private Banking Association said the measures would have no appreciable impact on banks' profits because of the higher return on interest-bearing compulsory deposits. However, the measures are seen as having a negative impact in so far as they immobilise a much larger share of bank funds. Bankers expect credits available to the private sector to increase by less than 5 per cent next year compared with 11 per cent in 1983. Sr Rafael Termes, President of the Banking Association, laid the blame on "excessive spending" by the public sector.

Meanwhile, labour tensions over the future of Altos Hornos del Mediterraneo the state-owned steel works at Sagunto, near Valencia on the eastern Spanish coast which the state holding company INI plans to close, has reached a new peak after violent clashes between police and workers during a 24-hour strike that started on Tuesday.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	F	15	59	Dubrovnik	S	14	57	Malaga	S	16	61	Salzburg	C	8	46
Akrotiri	S	19	66	Faro	S	16	61	Malta	-	—	—	Seoul	S	-4	25
Algiers	-	—	—	Florence	-	—	—	Manila	S	30	86	Singapore	C	27	81
Amsterdam	C	9	48	Frankfurt	C	8	46	Miami	C	22	72	Stockholm	S	5	41
Athens	S	16	61	Funchal	F	21	70	Milan	-	—	—	Strasbourg	S	12	54
Bahrain	S	19	66	Geneva	S	7	45	Moscow	Sn	-3	27	Sydney	R	19	66
Bangkok	S	31	88	Gibraltar	C	17	63	Munich	S	12	54	Taipei	C	13	55
Barcelona	S	16	61	Guernsey	C	10	50	Nairobi	-	—	—	Tangier	S	18	64
Beirut	F	17	63	Helsinki	S	1	34	Naples	-	—	—	Tehran	-	—	—
Belgrade	C	7	45	H. Kong	S	17	63	New Delhi	S	19	66	Tel Aviv	S	20	68
Berlin	D	11	52	Innsbruck	S	7	45	New York	C	-1	30	Tenerife	S	23	73
Biarritz	S	11	52	Inverness	S	7	45	Nice	S	15	59	Tokyo	S	8	46
Blackpool	C	10	50	Istanbul	S	12	54	Oporto	S	17	63	Toronto	Sn	-5	23
Bordeaux	S	9	48	Jersey	C	9	48	Oslo	S	6	43	Tunis	S	9	48
Brussels	C	10	50	Jo'burg	C	23	73	Paris	C	8	46	Valencia	S	15	59
Budapest	S	7	45	Las Palmas	S	22	72	Prague	-	—	—	Venice	-	—	—
B. Aires	S	37	98	Lima	S	24	75	Reykjavik	F	0	32	Vienna	F	13	55
Cairo	S	20	68	Lisbon	S	12	54	Rio de Jo	C	32	90	Warsaw	C	10	50
Cape Town	S	24	75	Locarno	S	5	41	Rome	-	—	—	Zurich	S	9	48
Caracas	-	—	—	London	C	12	54								
Casablanca	S	19	66	Los Angeles	S	12	54								
Copenhagen	F	9	48	Luxembourg	Fg	5	41								
Corfu	S	19	66	Madrid	S	11	52								
Dublin	C	12	54	Majorca	S	17	63								

Readings at mid-day yesterday.

C–Cloudy D–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

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SECTION II – COMPANIES AND MARKETS
FINANCIAL TIMES
Thursday December 29 1983

Former chairman of IBH faces probe

By James Buchan in Bonn

HERR HORST Esch, the former chairman of the collapsed West German IBH Holding construction machinery group, is under investigation by the public prosecutor in connection with his company's application for bankruptcy.

IBH Holding applied for bankruptcy last month after attempts by a court-appointed commissioner to reach a settlement with creditors failed. The Koblenz public prosecutor is now investigating whether the IBH board did wrong in not applying to the courts last July when the independent auditor warned of "dangerous losses."

At the time, Herr Esch was trying to raise additional finance through the U.S., British and Saudi shareholders in his group and through Schroeder Muenchmeyer Hengst (SMH), the West German bank deeply involved with IBH. Herr Esch has claimed that these efforts were torpedoed by a crisis of confidence in his group after SMH applied to the Bundesbank on November 1 for support.

Zettelmeyer, the manufacturer of front-end loaders which was Herr Esch's first acquisition in 1975, yesterday joined IBH and other companies in the group in applying for bankruptcy.

Kodak joins forces with Matsushita for video camera launch

BY WILLIAM HALL IN NEW YORK

EASTMAN KODAK, the world's biggest photographics products group which has been facing fierce competition in many of its traditional markets, is planning to enter the fast growing U.S. amateur video camera market with the help of Matsushita Corporation.

Eastman Kodak announced last week that it would unveil a new line of video products at a New York press conference on January 4. Until now the company has not been active in this market and its new product line will be a major move in the group's efforts to recapture the initiative in the international photographic business.

The company has revealed little about its new range of products but there has been mounting speculation in the industry that Kodak was going to market a small 8mm video camera and recorder which will be supplied by Matsushita Corporation, one of the Japanese groups which dominates the market. Yesterday Matsushita officials in Japan confirmed that they had been talking with Kodak following its request to supply the camera

In the first nine months of this year Kodak's earnings fell by 42 per cent to $447.9m and sales, 40 per cent of which are overseas, have stagnated. The group has been suffering from the impact of the strong dollar on its competitiveness and has been taking several steps recently to make itself more competitive internationally.

L & M issue sets record

BY CHRIS SHERWELL IN SINGAPORE

A SHARE issue by L & M Group Investments, a Singapore engineering and construction subcontracting group, has achieved a record response.

Although the 6.5m 50-Singapore cent shares were priced at S$1.35 (·65 U.S. cents) per share, it received applications for more than 1.45bn shares representing about S$1.96bn, beating the S$1.92bn value of application money previously set by Sanyong Cement.

With 5.85m shares on offer to the public, the response also meant that the issue was 248 times oversubscribed, exceeding the previous record of 191 set by Kentucky Fried Chicken when it went public earlier this year.

Continental Illinois executives retire early

By Our New York Staff

MR JOHN PERKINS and Mr Donald Miller, two of the top three executives running Continental Illinois, when the Chicago bank ran into problems in energy lending last year, are to take early retirement.

Continental Illinois, which has recently extensively reshuffled its senior management team, announced yesterday that Mr Perkins, aged 62 who has been president of the group since 1973, will not stand for re-election as president at the annual meeting next April and will retire later in the year. He will remain a member of the Board. Mr Miller, aged 63, who has been the groups vice-chairman since 1976, has also announced that he will retire next year.

Last August Continental Illinois announced that two of its executives, Mr David Taylor, aged 54, and Mr Ed Bottum, aged 50, had been appointed directors of the group and joined the triumvirate which had effectively run Continental Illinois for many years.

The group has run into problems following its involvement with Penn Square, a small Oklahoma bank which failed through its over expansion in energy lending. When the seriousness of the problems emerged there was a feeling in some quarters that some of the group's senior management team might be forced to resign.

However, until yesterday's announcement it appeared as if the senior management team, while strengthened, would remain intact. Mr Roger Anderson, who has been chairman and chief executive since 1973, has said that he intends to stay until his retirement in 1986.

The retirement of Mr Perkins and Mr Miller leaves the way open for Mr Taylor and Mr Bottum, respectively vice-chairman and executive vice-president, to strengthen their control of the bank's senior management. Mr Taylor will assume the role of chief financial officer and there is speculation that he will take over as president after the next annual meeting.

Nokia acquisitions will double electronics sales

NOKIA, Finland's largest privately-owned corporation, yesterday announced agreement had been reached on acquisitions of Swedish and Finnish companies which would double its rapidly growing sales in electronics, AP-DJ reports from Helsinki.

Nokia, a conglomerate involved in forest products, plastics, metals and electronics, said it had reached preliminary agreement to acquire majority stakes in Salora, the Finnish company which is the largest maker of colour televisions in the Nordic area, and Luxor the state-owned Swedish manufacturer of microcomputers, televisions and home satellite TV reception equipment.

Nokia said it expected its own electronics units and the new acquisitions to form an "internationally significant" force in markets for colour televisions, cable television systems, satellite television, information systems and microcomputers.

The acquisitions will more than double Nokia's annual sales in electronics to more than FM 2.6bn ($440m) from a projected FM 1.3bn for 1983.

The price for the entire package is understood to be several hundred million finnmarks. The Swedish acquisition alone is valued at more than SKr 152m ($19m).

Sweden has agreed to divest 70 per cent of the share capital in Luxor to Nokia through a new share issue to the Finnish group, valued at SKr 152m. Nokia will also ask shareholders to approve an issue of prefered Nokia shares to the Swedish state valued at SKr 67.5m and comprising just under 2.5 per cent of Nokia's share capital.

On the Finnish side, Nokia will increase its holdings in Salora to 58 per cent from 18.3 per cent by taking a new share issue, and will also issue Nokia shares to Salora's parent, Hollming.

Nokia will immediately sell 19 per cent of the shares in Luxor to Salora, retaining a 51 per cent direct holding in the Swedish consumer electronics and computer group. Nokia said Salora and Luxor would retain their identities as independent units in the Nokia group.

For Sweden the sale of Luxor to the private Finnish group represents a start to the privatisation of some state enterprises which has been expected as a result of the Social Democratic Government's deficit-cutting policy.

There has been speculation that Luxor would be a prime candidate for introduction to the Stockholm stock exchange. Although the company has been financially troubled in recent years, its concentration on microcomputers and satellite television systems is expected to increase its profitability.

Luxor is expected to have 1983 sales of SKr 810m, up from SKr 730m in 1982.

Finland's Salora is expected to have 1983 sales of FM 730m, up from FM 570m in 1982.

Offer for NZ food group rejected

THE DIRECTORS of the New Zealand food company, Wattie Industries, rejected NZ Forest Products' NZ$300m ($194.8m) takeover offer as grossly inadequate, and strongly advised shareholders not to sell, **Reuter reports from Wellington.**

The board met in Auckland on Tuesday to consider NZFP's surprise offer, made on Friday, to increase its holding in Wattie from 24.9 per cent to 65 per cent of its issued capital.

Mr Wilf Morris, chairman, said in a letter to shareholders: "The consideration is, we believe, grossly inadequate for a full takeover bid."

NZFP offered four of its ordinary shares plus NZ$1 in cash for every five ordinary Wattie shares, four ordinary shares plus 92 cents for every seven Wattie 12.5 per cent specified preference shares, and three ordinary shares plus 48 cents for every four Wattie 16 per cent specified preference shares.

The offer, worth more than NZ$300m closes February 29. It is conditional on 90 per cent of the shares to which it applied being accepted, though a lower number, not less than 20m shares, could be accepted by NZFP's directors.

LLT chief steps down after project failure

BY CHARLES BATCHELOR IN LONDON

MR JEFFREY BONAS has resigned as chief executive and director of London and Liverpool Trust (LLT), the Birmingham-based business and video equipment group which earlier this year ran into difficulty with its Tele-jector project for big-screen television sets in public houses.

LLT's shares fell 1p to 24p yesterday, dramatically down on their 1983 high of 350p ($5).

Mr Bonas, aged 39, said: "It has been an exhausting time. I just felt I would not be able to continue for very much longer. It was time to make the break."

He denied coming under pressure to step down from other board members or from the company's bankers. LLT said in a brief statement that Mr Bonas would continue to support the board's efforts to solve the group's problems.

Mr Bonas said this meant, in effect that he would be retaining his stake of just under 5 per cent of the equity for the foreseeable future.

LLT declined to comment further but Mr Bonas said his successor chief executive would be Mr Geoffrey Cross, at present finance director.

Pre-tax profits of LLT fell to £1.04m in the six months ended September 30 1983 from £2.51m in the comparable 1982 period. This was partly the result of technical faults in the company's juke boxes. Mr Bonas stepped down as chairman of LLT last month

Swissair may restore profits to 1981 levels

By John Wicks in Zurich

SWISSAIR'S net earnings should be in the region of SwFr 54m–SwFr 59m ($24.6m–$26.9m) for the current year, according to Mr Robert Staubli, the group president. This would restore profitability to at least the 1981 level of SwFr 54.3m, after a sharp setback last year to SwFr 38.5m.

This is likely to result in a return to Swissair's "standard" dividend of SwFr 35 per share, which had been paid every year from 1977 to 1981 before the reduction to SwFr 25 last year.

Swissair registered a "very favourable overall rate of growth" on the traffic side compared with the civil-aviation sector as a whole, Mr Staubli said.

Martini boosts earnings 44%

By Alan Friedman in Rome

MARTINI and Rossi Ivlas, parent company of the Turin-based maker of vermouth and other spirits, last year recorded a net profit of L11.9bn ($7.1m), a rise of 44 per cent. Turnover reached L190bn, an increase of 18.6 per cent.

The company said its main wine and spirits business accounted for L10.2bn profit. Results were helped by increased exports, which represented about 40 per cent of turnover.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for December 28.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amex O/S Fin 10¼ 88	100	94½	94⅝	+0⅛	+0⅝	11.53
Australia Comm 11¼ 90	100	100⅝	101⅛	+0¼	+0¼	11.84
Australia Comm 11½ 95	300	95¼	95¾	+0⅜	+0½	12.85
Australia Comm 11⅝ 98	100	96½	97	+0⅜	+0¼	12.89
Bank of Tokyo 11 90	100	94¼	94¾	+0⅛	+0½	12.28
Bank of Tokyo 11⅞ 90	100	98⅛	98⅝	+0⅛	+0⅝	12.23
British Col Hyd 10¼ 88	200	95⅝	96⅛	+0⅛	+0⅛	11.47
Britoil Fin 11⅛ 90	125	99¼	99¾	+0¼	+0½	11.98
Canada 10⅞ 88	500	98⅜	98⅞	0	-0⅛	11.24
C.C.C.E. 12⅝ 95	75	98⅞	99⅝	-0¼	+0¼	12.76
C.I.B.C. 11 90	75	92¼	92¾	-0¼	-0⅛	12.76
Citicorp O/S 10⅝ 90	100	90¾	91¼	+0¼	+0⅜	12.47
Citicorp O/S 11⅝ 90	100	97⅛	97⅝	+0¼	+0⅛	12.29
Cred Suisse BAH 10½ 90	150	98½	99	+0½	+0⅝	10.77
Den Norsk Cred 11¼ 93	50	92¼	92¾	0	+0⅛	12.63
Denmark Kingdom 12¼ 93	100	96½	97	-0⅛	+0⅜	12.84
E.C.S.C. 11⅞ 90	75	98½	99	+0⅛	+0⅜	12.12
E.D.F. 11⅛ 93	100	91⅝	92⅛	+0¼	+0⅜	12.63
E.E.C. 11 87	350	97⅞	98⅜	+0⅛	+0⅛	11.82
E.I.B. 10⅞ 93	200	90⅝	91⅛	+0½	+0½	12.42
E.I.B. 11 91	125	93¾	94¼	+0¼	+0⅜	12.28
E.I.B. 11½ 90	200	96⅝	97⅛	–	–	12.19
Exportfinans 11½ 90	100	95⅞	96⅜	-0⅛	+0⅛	12.35
Electrolux 10½ 90	50	92¼	92¾	+0⅛	+0⅛	12.22
Fuji Int.Fin 10⅞ 90	100	92¾	93¼	+0⅜	+0⅜	12.48
GMAC O/S Fin 11⅜ 90	100	99⅞	100⅜	+0⅜	+0⅝	11.32
Honeywell Int 10¾ 90	100	95¾	96¼	+0⅛	+0⅛	11.66
IC Indust Fin 11⅞ 98	75	96⅛	96⅝	+0¼	+0⅝	12.42
Indust Bk Japan 11⅞ 91	100	97¾	98¼	+0⅛	+0¼	12.27
ITT Finance 11½ 89 WW	125	99¼	99¾	+0⅜	+0⅜	11.64
Japan Air Lines 10⅞ 88	42	91¼	91¾	+0⅛	+0⅜	12.15
Japan Air Lines 11 93	75	93⅝	94⅛	-0⅛	-0⅛	12.09
J.C. Penney 11⅞ 90	100	100⅜	100⅞	+0⅛	+0⅜	11.71
J P. Morgan 11⅜ 90 WW	150	96⅞	97⅜	+0⅛	+0¼	11.98
Levi Strauss Int 11 90	75	96⅛	96⅝	+0¼	+0⅜	11.78
L.T.C.B. 10¾ 90	100	92¾	93¼	+0⅛	+0½	12.39
L.T.C.B. 12½ 90	85	100⅞	101⅜	+0⅛	+0½	12.22
Merrill Lynch 10⅝ 90	200	93⅞	94⅜	+0⅛	+0⅜	11.97
Mitsubishi Fin 11⅞ 90	100	94¼	94¾	0	+0½	12.58
Nippon Credit 11 90	100	93⅛	93⅝	+0⅛	+0½	12.54
Nippon Credit 11½ 90	100	96⅞	97⅜	0	+0⅛	12.51
Ontario Hydro 10¼ 90	250	93⅛	93⅝	+0½	+0⅜	11.72
Ontario Hydro 11¾ 90	200	100¼	100¾	+0¼	-0⅛	11.81
Pacific Gas & Elec 12 91	75	102	102½	+0⅜	+0½	11.53
P.K. Banken 12 90 WW	75	96⅛	96⅝	+0⅛	+0¼	12.78
Prudential 10½ 93 WW	150	93⅜	94⅛	-1⅞	-1⅛	11.17
Prudential 10⅜ 93 XW	150	98⅛	98⅝	0	+0⅜	11.79
Quebec Hydro 11½ 92	100†	96⅞	97⅜	+0¼	+0⅛	12.03
Sears O/S Fin 11½ 88	125	101½	102	+0⅜	+0½	11.01
Sears O/S Fin 11⅝ 93	150	98	98½	+0½	+0⅜	11.92
Sth Cal Edison 10½ 90	75	95¼	95¾	+0⅛	+0⅜	11.51
Sumitomo Fin 10⅞ 90	100	92⅜	92⅞	-0¼	+0⅛	12.58
Texaco Capital 10½ 93	200	94¼	94¾	+0½	+0⅜	11.45
U.B.S. 10 88	100	97¾	98¼	-0⅞	-0⅞	10.56
World Bank 11¼ 88	100	98⅞	99⅜	+0¼	+0¼	11.46
World Bank 11¼ 90	200	95¾	96¼	+0⅜	+0½	12.12
World Bank 11½ 90	150	96¾	97¼	+0⅛	+0⅛	12.15
World Bank 12 93	200	98⅛	99⅝	+0⅜	+0⅜	12.88

Av. price changes: on day +⅛, on week +¼

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amca Int'l 8¼ 91	100	97½	98	–	–	8.65
A.N.A.S. 8½ 91	150	97⅝	98⅛	–	–	8.92
Arab Banking Corp 8 88	100	96⅛	96⅝	+0¼	+0½	8.92
Asian Dev Bk 8½ 93	200	99⅝	100⅛	+0¼	+0¼	8.49
Austria, Rep 7⅝ 89	100	100⅝	101⅛	+0⅛	-0¼	7.44
Avon Int Fin 7½ 93	100	100⅞	101⅜	+0¼	+0⅛	7.32
Barclays O/S 8¼ 98	250	98½	99	-0⅛	+0⅛	8.27
Beatrice Foods 7¾ 93	130	103	103½	+0⅛	+0⅜	7.27
Dresdner Finance 4 90 WW	250	82⅞	83⅜	-0⅛	+0⅛	7.32
E.C.S.C. 8 90	150	100⅝	101⅛	+0⅛	+0⅜	7.84
E.E.C. 8¼ 93	250	99½	100¼	+0⅛	+0⅛	8.28
E.I.B. 8 93	200	98½	99	+0⅛	+0½	8.18
Eurofima 7½ 90	100	100½	101¼	+0⅜	+0⅛	7.31
Europarat 8¼ 93	150	99¼	100	+0⅜	+0⅜	8.30
Finland Rep 8 90	150	99	99½	+0⅛	+0½	8.14
I.A.D.B. 8¼ 93	150	97⅜	97⅞	–	–	8.61
Int Standard Ele 7⅜ 88	100	99⅛	99⅝	–	–	7.49
Int Standard Ele 7¾ 93	100	101⅞	102⅜	-0⅛	0	7.42
Ireland 8⅝ 91	150	99⅝	100⅛	0	+0⅛	8.63
Japan Dev Bank 7½ 90	100	100	100½	-0⅜	-0⅜	7.44
L.T.C.B. 8 90	100	101½	102	+1¼	+1⅜	7.64
S N.C.F. 8¼ 93	100	100⅛	100⅞	+0⅞	+1	8.05
VEBA Int Fin 4 93 WW	300	106⅝	107⅜	-0¼	+0⅜	3.17
VEBA Int Fin 4 93 XW	300	73½	74	-0½	+0¼	7.80
World Bank 7⅞ 88	300	99½	100½	+0¼	+0¼	7.86
World Bank 8 93	300	98⅝	99⅛	–	–	8.15

Av. price changes: on day +⅛, on week +⅜

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amex O/S Fin 7¼ 91	67	79½	79⅞	+0⅜	+0⅜	11.28
Bank of Tokyo 6 91	100	102¼	102¾	-0⅛	0	5.62
Bergen, City of 5¾ 85	40	99½	99¾	-1	-1	5.79
Denmark 6⅝ 91	100	102¾	103	+0½	+0⅛	5.88
E.E.C. 6 93	100	101	101¼	-0½	-0½	5.84
Europarat 6⅛ 93	100	98¼	98½	-0¼	-0⅛	6.35
Ind Fund Fin 6¼ 91	40†	102½	103	+1⅛	+1⅛	5.79
Int-Am Dev Bk 6 93	100	98½	98¾	+0⅛	0	6.19
Ireland 6½ 93	80	100	100¼	+0½	+0⅛	6.48
Japan Dev Bank 5⅞ 93	100	101½	101¾	-0¼	-0½	5.65
Jap Highway Pub 5⅝ 91	100	100	100¼	0	0	5.60
Kansai Ele Power 6 91	100	102½	102¾	+0½	+0⅜	5.55
Kawasaki Steel 5⅞ 91	100	101¼	101½	+0¼	+0⅛	5.69
Manitoba Prov 5½ 93	100	101¼	101½	-0¼	0	5.31
Mont Blanc Tunl 6⅛ 93	35	102½	102¾	+0¼	-0⅛	6.01
Mosen Ins Finance 6 93	100	102¾	103¼	+0⅛	0	5.68
MTG Bk Denmark 6¼ 91	80	100	100¼	+0½	+0½	6.22
New Brunswick 5¾ 93	100	102	102¼	+0¼	+0⅛	5.46
Nippon Tel & Tel 5¾ 93	100	102	102¼	+0⅝	0	5.47
Nisshin Steel 6⅛ 91	100	101⅜	101⅝	0	+0⅛	5.88
Osterr Post 6⅛ 91	100	102½	102¾	-0⅜	-0½	5.58
Quebec Province 5⅝ 93	100	99⅝	100	0	0	5.64
Shikoku Elec Power 6 91	100	102¾	103	+1⅛	+0¾	5.54
Sumitomo Heavy Ind 6 91	100	102	102¼	+0¼	+0⅛	5.85
Tokyo Elec Power 5⅞ 91	100	103	103¼	+0⅜	+1	5.36
[illegible] Corp 6⅛ 93	100	100½	100¾	+0¾	+0½	6.04

Av. price changes: on day +⅛, on week +⅛

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 8⅝ 92	15	106⅛	107	+0⅛	+0⅛	7.58
E.I.B. 8⅛ 92	15	103	103¾	+0½	0	7.66
Int-Am Dev Bk 7⅝ 93	15	100⅛	101	+0⅛	0	7.78
New Zealand 7⅝ 89	15	103⅛	103⅞	+0⅛	0	6.85
World Bank 7⅝ 93	20	100⅜	101⅛	+0⅛	+0⅛	7.51

Av. price changes: on day +⅛, on week 0

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
British Col Hyd 12 93 C$	125†	97¼	98¼	+0½	+1	12.35
Farm Credit 12¼ 90 C$	75†	100¼	100¾	0	+0¼	12.11
Loblaw 12½ 90 C$	35†	97¾	98¼	+0⅛	+0⅛	12.85
TD MTG Corp 12½ 88 C$	40†	100⅝	101⅛	+0⅜	+0⅜	12.17
Quebec Hydro 12¼ 93 C$	50†	101⅛	101⅝	0	+0⅛	12.46
Royal Trstco 12¼ 88 C$	50†	101	101½	0	0	12.25
World Bank 12¼ 90 C$	75†	100	100½	+0⅛	+0⅛	12.17
E.E.C. 11 93 ECU	50†	102⅛	103⅛	+2½	+2⅛	10.54
Genfinance 11 90 ECU	60†	99⅛	100¼	+0½	+0⅛	11.03
Algemene Bank 8⅛ 88 Fl	150	102⅛	103⅛	0	+0¼	7.96
Bank Mees & Hope 9 88 Fl	75	103⅛	103⅝	+0⅛	+0⅜	8.06
Elec Sup Brd 8¼ 88 Fl	75	97⅛	97⅝	0	0	9.48
P.H.P. 8¾ 88 Fl	50	102⅛	102⅝	0	+0⅛	8.03
Swed Exp Cred 7¾ 88 Fl	100	96⅞	97⅜	+0⅛	+0⅛	8.57
World Bank 9 88 Fl	100	103⅛	103⅝	+0⅛	+0⅛	8.06
O.K.B. 14 88 FF	400	100⅛	101⅞	-0⅛	-0⅛	13.16
Solvay & Cie 14⅛ 88 FF	200	102⅛	103⅛	-0⅛	0	13.22
B.F.C.E. 11½ 88 £	50	99⅛	99⅝	+0⅛	+0⅜	11.61
British Oxyg 11⅛ 91 £	50	100⅛	101⅛	+0½	+0⅜	11.56
CEPME 11¼ 95 £	35	103⅞	104⅜	+0⅜	+0⅜	10.57
CIBA-Geigy Int 6⅝ 93 £	25	100½	101½	+0½	+0⅞	6.60
Commerzbank 11½ 98 £	25	97¼	98	–	–	12.02
E.E.C. 11⅞ 91 £	50	100⅛	101⅞	+0⅛	0	11.65
E.E.C. 11⅞ 93 £	50	100¼	101⅛	0	+0⅛	11.68
Fin For Ind 10½ 90 £	20	95	95½	+0¼	+0⅛	11.56
Finland Rep 11⅞ 88 £	50	100½	101¼	+0⅛	+0⅛	11.50
Gen Elec Co 12½ 89 £	50	103⅛	104⅛	+0⅛	+0⅛	11.31
I.I.I. 10⅞ 93 £	25	95	95½	0	0	11.57
I.I.I. 11½ 91 WW £	50	98⅞	99⅜	-0⅛	-0⅛	11.64
Norsk Hydro 12 90 £	30	100⅛	101⅛	0	0	11.75
Sweden 11¼ 93 £	50	98⅛	98⅝	0	0	11.49
Swed Exp Cred 11¼ 88 £	30	98⅛	99	+0⅛	0	11.61
World Bank 11¼ 98 £	100	99	99⅝	+0⅛	+0½	11.27
Eurofima 10 91 LuxFr	600	99½	100⅛	0	0	10.06
Europarat 10⅛ 93 LuxFr	600	100⅛	101⅛	0	0	10.62

FLOATING RATE NOTES	Spread	Bid	Offer	C.date	C.cpn	C.yld
Allied Irish Bk 5¼ 95 §	0⅛	98⅞	98⅝	6/6	5¼	5.33
Banco di Roma 5¼ 90	0⅛	98½	98⅞	7/6	5¼	5.27
Belgium 5 2004	0⅛	98⅝	98⅞	8/1	5	5.06
Bk of New Yk 5¼ 96 §	0⅛	98⅞	99½	12/1	5¼	5.28
C.C.F. 5¼ 95	0⅛	99⅛	99⅝	7/4	9.94	9.99
C.C.F. 5¼ 88 §	0⅛	99⅞	100⅛	24/3	10.19	10.19
CEPME 5¼ 88 WW †	0⅛†	99⅝	100	3/3	10.31	10.33
C.N.C.A. 5¼ 95 XW	0⅛	99⅛	99⅝	7/6	10½	10.54
C.N.T. 5¼ 91	0⅛	99⅛	99⅝	8/5	10.19	10.24
Credit Foncier 5¼ 93	0⅛	99⅛	99⅝	6/4	10	10.04
Credit Lyonnais 5¼ 97	0⅛	99½	99¾	1/4	10	10.94
Denmark 5¼ 90 §	3/16	99⅛	99⅝	13/4	10	10.05
Dresdner Fin 5¼ 93 XW §	0⅛	98⅞	100⅛	19/4	9.94	9.94
EAB Fin 5 93 §	0⅛	98⅞	100⅛	15/12	10.81	10.81
E.D.F. 5¼ 95 XW	0⅛	99⅝	100	10/2	11⅜	11.39
E.E.C. 5 90	0⅛	99⅞	100⅛	5/1	10.19	10.19
Fst Interstate 5¼ 95 §	0⅛	99⅛	99⅝	6/3	5¼	5.28
Fuji Int'l 5¼ 96 §	0⅛	99⅛	99⅝	12/1	5¼	5.27
GZB 5¼ 96	0⅛	99⅛	99⅝	29/5	5¼	5.28
Hispano 5¼ 95	0⅛	97⅞	98⅛	20/4	10	10.28
Nat Bk Canada 5¼ 91 §	0⅛	99⅝	99⅞	5/1	5¼	5.29
Saitama Int 5¼ 93	0⅛	99⅝	100	5/6	5¼	5.28
Soc Generale 5¼ 90 XW	0⅛	99⅝	100	9/5	10.31	10.33
Sweden 5¼ 93	0⅛	99⅝	100	4/3	11.19	11.20
Sweden 5¼ 2003 §	0⅛	99⅛	99⅝	17/5	5¼	5.28

Av. price changes: on day 0, on week 0

CONVERTIBLE BONDS	Conv. date	Conv. price	Bid	Offer	Chg. day	Prem
Bridgestone Tire 5½ 98	3/82	470	139⅞	140⅞	+2¾	3.59
Canon 7 97	7/82	680.2	244⅞	245⅞	+0⅜	0.86
Daiwa Sec Co 5½ 98	10/83†	481.6	100½	102	+4⅞	-2.33
Fanuc 3⅜ 98	1/84	8142	118⅛	119½	+0⅜	8.22
Hitachi Cable 5¼ 96	2/82	515	125	126½	+12½	0.83
Honda Motor 5¼ 98	6/83	884	128⅞	129⅞	+1⅞	2.74
Honda Motor 5½ 97	3/83	759.6	145⅛	148⅛	+3	0.57
Konishiroku Photo 4 98	10/83	673	101½	103	+1½	6.83
Kyowa Hakko 6⅛ 97	2/83	762	111	112½	+1½	10.33
Minolta Co Ltd. 5½ 98	5/83	667	110⅛	111⅛	+0⅛	-1.24
Mitsubishi Electric 5¼ 98	6/83	395	111⅛	112⅛	+1½	9.97
Mitsubishi Heavy 4⅜ 99	1/84	253	107½	108⅛	+0⅛	-0.86
Nippon Electric 5¼ 97	2/82	765.6	184	185⅛	+4⅞	0.82
Nippon Oil Co 5½ 98	4/83	964	114	115½	+1⅜	9.85
Nissan Motor 5⅜ 98	4/83	708	108⅞	109⅞	+0⅛	8.84
Olympus Optical 6⅛ 97	12/82	1157	111⅛	112⅜	+1⅛	6.09
Orient Leasing 5¼ 98	6/83	2680	89⅞	90⅞	-0⅞	0.62
Secom 5 98	11/83	2828	148	150½	+4⅞	2.47
Yamaichi Sec Co 5 98	8/83	448.5	95½	98	+4⅞	-4.29
Yamanouchi Pharm'cal 4 90	10/83	1808	181½	182½	-0⅛	20.27
Bridge Oil 4⅞ 93 SF	3/84	3.43	109	111	+1⅛	18.07
Settsu Paper 3⅜ 93 SF	9/83	716	102¾	104⅜	-0⅛	16.03
Asics 5 92 DM	12/83	528	114⅞	115⅞	+2⅛	5.45
Konishiroku 6⅛ 88 DM	6/82	616	122⅞	123⅞	+0⅛	-1.35
Sony Realty 6⅛ 92 DM	2/83	305	133	134	+1⅛	-4.88

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield is redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C. date = Date next coupon becomes effective. Spread = Margin above six-month offered rate (†† three month; § above mean rate) for U.S. dollars. C.cpn. = current coupon. Cy.yld = current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv. date = First date for conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

EUROBONDS

Holidays stifle trading

By Mary Ann Sieghart in London

SECONDARY Eurodollar bond prices edged up by about ¼ point yesterday on the back of a rise in the New York credit market the day before. Dealers reported buying interest from clients but trading was difficult, with many houses still shut down for the Christmas and New Year holiday.

In Switzerland, prices rose a little, while in Germany, they closed more or less unchanged. Both markets saw low turnover.

Japanese to act on yen CD issues

THE JAPANESE Finance Ministry said it informed Japanese and foreign banks operating locally it will lower the minimum issue unit of yen-denominated certificates of deposit to Y300m ($1.3m) from Y500m, from January 1, **Reuter reports from Tokyo.**

The ministry will also raise the existing quantitative limits on CDs issued by the banks from next April 1, it said.

The measures are in line with a joint press statement last month by Mr Noboru Takeshita, Japanese Finance Minister, and Mr Donald Regan, U.S. Treasury Secretary, on liberalisation of Japan's financial and capital markets.

The ministry said the CD issue ceiling for Japanese banks will be raised to 80 per cent of each bank's capital in second quarter 1984, from 75 per cent in the first quarter.

The ceiling will be raised further to 85 per cent in the third quarter, 90 per cent in the fourth quarter, 95 per cent in first quarter 1985, and 100 per cent in the second quarter of 1985, it said.

The limit applicable to foreign banks in Japan will go up to which ever is the larger of 50 per cent of each bank's outstanding balance of yen-denominated loans or Y8bn, from the present 30 per cent or Y5bn, effective from next April, the ministry added.

BHF Bank bond average		
Dec 28		Previous
98.193		98.114
High	1983	Low
102.017		97.698

UK COMPANY NEWS

Peter Meyer raises Crouch Group stake to over 43 per cent

BY CHARLES BATCHELOR

Peter Meyer, chairman of **Federated Housing**, is to increase his holding in hard-pressed house-builder and property developer **Crouch Group** to 43.8 per cent in a deal intended to guarantee Crouch's long-term survival.

Federated, which came to the Unlisted Securities Market last month, will take over the development of Crouch's residential housing interests. This will reduce Crouch's borrowings and allow house-building to continue on a reduced scale.

Mr Meyer will become chairman of Crouch once the deal has been approved by the shareholders of the two companies.

Mr Meyer and his family will sell a 20 per cent interest in *Federated to Crouch in return* for the issue of 1.8m new Crouch shares. Mr Meyer currently holds 18.5 per cent of the Crouch equity.

His holding and that of his family in Federated will be about 55 per cent.

* * *

Sunlight Service Group has acquired, for £1.2m, **Security Arrangements**, the consideration being satisfied from Sunlight's cash resources and existing bank facilities.

Security is the holding company of the Security Arrangements Group and has three wholly-owned operating subsidiaries: Security Guards, Security Couriers, and Security Office Cleaners.

Security Guards accounts for 91 per cent of group turnover, which for the year ended September 30 1983 amounted to £3.14m. Pre-tax surplus was £60,600 and net tangible assets at the year end totalled £208,000.

The directors of Sunlight say that the acquisition will complement the company's "growing involvement in the security area and will establish the combined group as one of the largest operators in the man guarding business in the UK."

* * *

The **Reed Stenhouse Companies'** offer for the shares of **Stenhouse Holdings** has been extended until January 11, 1984. The board of Reed Stenhouse says the terms of the offer will not be increased.

Stenhouse Holdings is, in the meantime, recommending its shareholders not to sign any form of acceptance.

On December 23 Samuel Montagu, financial advisor to Reed Stenhouse, purchased 1,127,000 Stenhouse Holdings' shares at 132½p per share.

Samuel Montagu and Reed Stenhouse have entered into a put-and-call option agreement, whereby in the event that Reed Stenhouse's offer for Stenhouse Holdings lapses, RS has the right to purchase any SH shares acquired by Samuel Montagu during the offer period, and Montagu has the right to sell any such shares to RS.

In such circumstances, the shares will be transferred at Montagu's gross costs, inclusive of all related financial dealing costs.

Neither Reed Stenhouse nor Samuel Montagu owned any Stenhouse Holdings shares prior to December 23. Reed Stenhouse and Samuel Montagu have *now received* acceptances or have purchased 14,993,169 Stenhouse Holdings' shares, representing approximately 39.5 per cent of the issued share capital.

* * *

Following the offer by ***Baring Brothers** for the 4.5 per* cent redeemable first preference shares of **Coates Brothers** valid acceptances were received in respect of 176,997 shares (88.5 per cent) by 3 pm on December 23 1983. The offer become unconditional on December 19 and remains open for acceptance until further notice.

* * *

At 3 pm on December 23, acceptances of the **Atlanta Baltimore** offer for **Constructor Holdings** had been received in respect of 940,201 Construction ordinary (98.97 per cent).

The offer will be extended until 3 pm on January 6 1984, and the preference share alternative will close on that date.

* * *

***Guy Salmon**, the UK's largest* independent car rental company, has acquired **Rover Hire**, which went into receivership on December 5.

* * *

A. J. Worthington Holdings—*P. M. Worthington Associates* has sold 146,000 shares, Brigadier A. R. Worthington 43,000 and his wife Mrs T. H. Worthington 30,000, on December 5. Mr D. Bloom purchased the above shares, and he sold 205,000 shares on December 14. Michael Hartland has purchased 205,000 shares bringing its holding to 421,500 shares (21.075 per cent).

Lincroft Kilgour Group—Drayton Consolidated Trust has acquired another 52,000 shares in Lincroft bringing their total holding to 877,000 (19.2 per cent).

Over-the-Counter Market

1982-83 High	Low	Company	Price	Change	Gross div.(p)	Yield %	P/E Actual	P/E Fully taxed
142	120	Ass. Brit. Ind. Ord.	132	—	6.4	5.2	7.1	9.3
158	117	Ass. Brit. Ind. CULS	134	—	10.0	7.5	—	—
78	57	Airsprung Group	75	−1	6.1	8.1	21.4	21.4
46	21	Armitage & Rhodes	28	—	—	—	—	—
268	98½	Bardon Hill	268xd	+2	7.2	2.7	10.9	22.2
54	53	Bray Technologies	54	—	2.7	5.0	9.7	10.6
200	200	CCL Ordinary	200	—	5.0	2.5	4.5	6.4
151	100	CCL 11pc Conv. Pref.	143xi	—	15.7	11.0	—	—
270	100	Cindico Group	100	—	17.6	17.6	—	—
86	45	Deborah Services	51	—	6.0	11.8	27.3	44.3
182	77	Frank Horsell	182	—	—	—	7.6	12.6
171	75½	Frank Horsell Pr Ord 87	170	−1	8.7	5.1	7.1	11.7
83	39	Frederick Parker	39	—	7.1	18.2	2.4	3.9
55	32	George Blair	33	—	—	—	—	—
100	50	Ind. Precision Castings	50	—	7.3	14.6	13.9	17.2
226	100	Isis Conv. Pref.	226	—	17.1	7.5	—	—
118	47	Jackson Group	118	+1	4.5	3.8	6.2	12.1
237	111	James Burrough	235	—	11.4	4.9	13.0	13.4
300	275	Minihouse Holding NV	300	—	4.0	1.3	22.5	22.5
260	120	Robert Jenkins	120	—	20.0	16.6	13.9	9.4
83	54	Scruttons "A"	60	—	5.7	9.5	10.0	7.2
167	76	Torday & Carlisle	76	—	2.9	3.8	—	—
435	385	Trevian Holdings	435	—	—	—	8.9	8.1
29	17	Unilock Holdings	17	—	1.0	5.8	11.1	16.2
90	64	Walter Alexander	87	−1	6.8	7.8	7.6	10.1
276	214	W. S. Yeates	242	—	17.1	7.1	3.7	7.7

Public Works Loan Board rates

Effective December 21

Years	Quota loans repaid by EIP†	At‡	at maturity§	Non-quota loans A* repaid by EIP†	At‡	at maturity§
Up to 3	10¼	10¼	10¼	11¼	11¼	11¼
Over 3, up to 4	10¾	10½	11	11½	11¼	11½
Over 4, up to 5	10¾	10¾	11¼	11½	11½	11½
Over 5, up to 6	10¾	10¾	11¼	11½	11½	11½
Over 6, up to 7	10¾	11	11¼	11½	11½	11½
Over 7, up to 8	11	11	11½	11½	11½	11½
Over 8, up to 9	11	11¼	11½	11½	11½	11½
Over 9, up to 10	11¼	11¼	11	11½	11½	11¼
Over 10, up to 15	11¼	11¼	10¾	11½	11½	11¼
Over 15, up to 25	10¾	10¾	10¾	11¼	11¼	11
Over 25	10¾	10¾	10¾	11¼	11	11

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

Profits from medical business set for further growth at gases giant, writes **Tony Jackson**

BOC explodes into international health care market

BOC'S MEDICAL division is an *explosive new arrival on the* health care scene. In the past four years, profits have quintupled, and sales are now running at close to £300m. At the start of the 1980s, the division's contribution to the industrial giant's *profits* was under one-tenth. It is now well over one-third.

At BOC's Hammersmith headquarters, there is no doubt that this growth will continue. Why? "Two reasons," says group chief executive Mr Dick Giordano. "New technology, and the insatiable appetite of people for better health care. If you think a new invention is going to make you live longer, no-one's going to tell you it is not cost-effective."

There is certainly no shortage of technology in BOC's operations: vaporisors, ventilators, new generation anaesthetics, oxygen concentrators and the rest. Mostly, the division concentrates on relatively small and specialised markets, and in some areas has market shares of over 50 per cent.

The range of products is wide, but the biggest single end-user is the hospital anaesthetist—a breed to which BOC devotes *loving attention*.

"The anaesthetist," says Mr Desmond O'Connell, head of the medical division, "tends to stick with what he knows throughout his working life." Three-quarters of the U.S. market for anaesthetics consists of inhalants (as opposed to injectibles), and well over half the inhalants market belongs to BOC.

With luck, the anaesthetist will be spraying BOC anaesthetic through a BOC vaporiser on to the patients' BOC disposable face mask, and checking the results on a BOC monitoring machine.

Outside the anaesthetics field, the patients who need medical gases could well find them coming through a BOC hospital-wide piping system. If their breathing needs assistance, they can be put on to a BOC ventilator. And if they need oxygen at home, BOC will supply them with a cylinder, or with a concentrator which extracts oxygen from the air, or with a liquid system canister which they can carry around.

The division's present make-up sounds fairly logical, but its beginnings had their share of accidents. The acquisition of Airco in late 1978, which almost doubled the size of the group, was undertaken primarily with an eye to BOC's then predominant businesses, industrial gases and welding.

It was noted that Airco had a subsidiary, Ohio Medical, which seemed compatible with BOC's *own UK-based Medishield* division, but it took a while to realise how far that compatibility extended.

Then, in 1980, Mr O'Connell was brought in to knock the medical portfolio into shape. The first move was to split Medishield into two. Viggo, the Swedish plastics business, specialising in tubing for intravenous *therapy and other such* disposables, was hived off as a separate subsidiary. That left Medishield Equipment, which produced machines such as ventilators and vaporisers.

Then, over the Atlantic, the *same process was applied to* Ohio. The U.S. subsidiary fell naturally into two parts: Ohio Equipment, whose product range was in principle very similar to Medishield Equipment's, and Ohio Anaesthetics.

The next stage was to marry up the two equipment arms. The two had been active competitors in world markets in the past, so rationalisation was called for.

In product terms, that was *not too difficult*. Much of the world market for anaesthesia equipment, for instance, can be defined in terms of dominant schools of medicine: for the Commonwealth, the British school, and for many other countries the American.

Much of the competition between Medishield and Ohio had consisted of trying to push products designed for one school in markets dominated by the other, so rationalisation in both production and marketing was fairly straightforward.

The tricky bit, though, was marrying up research and development, which in the medical division accounts for much more cost than does capital expenditure. Mr O'Connell's answer was to establish what he calls "centres of excellence" — units within the *group* best qualified to handle research and development for a given product worldwide.

"We've worked through product line by product line," he says, "and it's given us two or three years of difficult decisions. But we're *90* per cent finished now."

So, for instance, the Yorkshire subsidiary Cyprane has worldwide responsibility for R&D on vaporisers, and a French subsidiary ATM is the centre of excellence for intensive care ventilators.

All told, the combined equipment group accounts for around half of the medical division's turnover. The remaining half *is roughly split* three ways, between Ohio Anaethetics, Viggo and the recently acquired Glasrock. Of the three, perhaps the most interesting is Ohio Anaesthetics—in effect a pharmaceuticals company, with all the problems and opportunities of that industry.

Ohio's business consists principally of two products. The anaesthetic Ethrane was launched some nine years ago, and fairly quickly established *itself* as market leader in the U.S., against ICI's older product Halothane.

As Ethrane was launched, Ohio started developing a follow-up, Forane, which then got lost in a tangle of tests and regulator requirements. FDA clearance did not emerge until 1980, but since then Forane has almost caught up with Ethrane, and the two together account for half the market in the U.S. and Canada.

The problem here is with the life of the patents. Ethrane's will run out in two years, Forane's in seven or eight. And if thereafter *rival companies start* manufacturing them as generics, profitability will of course come under pressure.

"Bear in *mind*, though," says Mr O'Connell, "that these are not typical pharmaceutical products. They need *specialised* manufacture and speciality chemicals—our Forane plant in Puerto Rico cost us U.S.$20m."

The threat is there, though, and the defence lies in new product development. Ohio is, of corse, working on this, but Mr O'Connell unsurprisingly declines to specify what he has up his sleeve.

The new arrival, Glasrock—acquired a year ago for £51m—delivers oxygen supplies to *patients in the home. This is not* a huge market, but the structure of the U.S. health service means that it is growing.

The health service's paymasters, the medical insurance groups, are shifting from paying hospitals on a cost-plus basis to a fixed rate system. The hospital will get a flat rate for, say, a gall-bladder operation, and if it can cut costs it pockets the difference.

One good way of cutting costs is to pack the patient off home promptly, or even, in the case of some minor operations, to go to his home and do it there. This creates quite a lot of opportunities on the equipment side, and home oxygen supply is a prime example.

With Glasrock added to its portfolio, BOC has a strong grip of the U.S. healthcare market —60-65 per cent, says Mr O'Connell, in its own areas. In the UK and France, too, it is strongly represented, and has just set about improving its position by introducing Ethrane and Forane to the UK (though this may *involve setting up in competi*tion to its own licensee).

The big gaps, though, are Germany and Japan, which are the world's second and third healthcare market respectively after the U.S. Viggo has just set up a joint venture with healthcare group Pfrimmer to manufacture its intravenous products in Germany, but it looks like being a long haul.

Despite that, BOC has a target of real growth in healthcare of 15 per cent per annum over the next five years. Bearing in mind that some of the group's cyclical areas, like welding and graphite, should soon be in the recovery phase, can healthcare hold its present position as contributor *of 36 per cent* of group profit?

"I believe so," says Mr Giordano.

"I think growth is going to be so rapid that there will not be a substantial fall in its proportional contribution. After gases, healthcare is securely lodged as our number two business."

Energy Finance declines but dividend held

PRE-TAX PROFITS of **Energy Finance and General Trust Holdings** slipped from £279,494 to £251,409 for the six months ended September 30 1983, but the interim distribution is maintained at 0.6p per 10p share, payable on February 10.

Demand for the group's corporate finance and advisory ser*vices remains at a high* level, the directors state, and a new office will shortly be opened in Leeds.

Group income for the first half increased slightly from £740,124 to £748,388, tax took £130,734, compared with £145,255 and the attributable balance came through down from £120,816 to £108,609, for this USM company.

Undiluted earnings per share were 1.10p (1.23p) as at September 30, and 1.09p (1.19p) fully diluted.

Transatlantic Oil Company, the group's principal associate, and its subsidiaries are continuing to increase oil and gas reserves in the U.S., both through interests earned over the last seven years by their management of oil and gas funds on behalf of others, and by direct participation.

Regarding certain of the group's other smaller U.S. oil and gas interests, discussions are in progress, the directors say, which might result in Energy Finance receiving shares in a larger quoted U.S. company with a lower initial stock market value than the existing book net asset value.

The group, they add, still *retains over half of its net* assets in liquid form and is considering opportunities for expansion both in the UK and overseas.

London Private Health Group

Pre-tax losses of £12,500, compared with profits of £3,449, were incurred by the **London Private Health Group**, private hospital operator, for the six months to September 30 1983. There is again no interim dividend—this Unlisted Securities Market quoted company is still waiting to pay its maiden dividend.

Turnover rose from £519,056 to £644,900. There is again no tax charge.

Burton pays £3.5m for 93 Fenton shops

BY RAY MAUGHAN

Burton Group, the Top Shop and Dorothy Perkins retail chain, has paid £3.5m for 93 **Harry Fenton** menswear shops owned by Combined English Stores.

CES has retained the non-trading investment property portfolio which have a book value of £2.2m. But the menswear group, loss-making for the *past three years, has been sold* in a deal which gives Burton part of the expansion it sought unsuccessfully through the acquisition of Richard Shops from UDS Group and frees CES for "the development and ex*pansion of its other profitable* activities."

The sale was struck apparently at a chance meeting between Mr Ralph Halpern, chairman of Burton, and Mr Murray Gordon, *his opposite number at CES* at an investment seminar at a stockbroker's offices on December 20 and concluded 48 hours later.

CES, which takes in Salisburys Handbags and Collingwood *the County Jewellers*, has upgraded the Fenton chain by introducing 10 Studio men's casual clothing outlets, but Mr Gordon explained yesterday that management had decided recently that returning the entire *chain* to proper profitability would require the conversion of 30 more Fenton shops to the Studio concept at a cost of £3.5m annually over three years.

Given the increased competition in the High Street for men's casual clothing, CES was not prepared to renovate on this scale. As it is, Mr Gordon claimed, the cash received from Burton will effect "a total transformation of our balance sheet" *which showed overdrafts* of £3.3m at the January 1983 year-end.

Fenton lost £1.6m at the trading level that year, and £1m in the previous year. Mr Gordon said that the chain was budgeted *to have lost some* £250,000 in the year which ends next month and was scheduled to break-even in the following year.

Burton's finance director, Mr Michael Wood, said "we like the *Studio formula*" and indicated that Burton would be developing that side of the business. The Fenton chain, as a whole, adds some 150,000 sq ft to the Burton portfolio and most of the units are regarded by both parties as too small to compete successfully in the menswear market.

Burton has developed several facets to its retail business, but Mr Wood felt that "it is a little early to say" how the group would exploit Fenton as a whole.

Radio Clyde joining the USM

BY MARK MEREDITH, SCOTTISH CORRESPONDENT

Radio Clyde, the commercial radio station based in the west of Scotland, intends to join the Unlisted Securities Market.

The company also announced greatly improved profit and turnover figures for the year to September 30 1983. Consolidated profit, before tax, increased to £493,000, compared with the 1982 figure of £76,000. Turnover rose by 28 per cent to £4.66m (£3.64m).

Radio Clyde raised £750,000 from its 74 shareholders during the year through a rights issue to finance part of the costs of its new studio complex in the Clydebank enterprise zone, directors point out.

The radio station claims more listeners in Glasgow and the west of Scotland than any other station and at times more than all the other stations—BBC and Radio Luxembourg—combined, it is stated.

The application, to the USM, follows that of Radio City in Liverpool. Other commercial stations are also expected to follow suit during the coming year.

In conjunction with the application to the Stock Exchange, a placing of 5 per cent of the issued non-voting share capital of the radio station, will be arranged by First Northern Corporate Finance.

The placing will be carried out by First Northern and Parsons and Company, the Glasgow stockbrokers.

Part of the improvement at Radio Clyde has been due to the turnaround of its subsidiary Clyde Electronics which produces Turnkey radio stations.

BRMB considers unlisted quote

BY RAYMOND SNODDY

BRMB, the commercial local radio station for the Birmingham area, has retained its franchise and is now considering going to the Unlisted Securities Market next year.

BRMB's franchise was contested by a consortium put together by Mr Phil Sidey, former head of the BBC's Pebble Mill operation.

The Independent Broadcasting Authority (IBA) has announced it will offer BRMB a new contract to run from February 1985 for a maximum of eight years.

It is the fourth independent local radio (ILR) franchise to be examined and in each case the franchise was retained by the existing holder. The other three were LBC and Capital Radio in London and Radio Clyde in Glasgow.

Mr David Pinnell, BRMB's managing director, said yesterday that the board would consider having its shares traded on the U.S.M. and would increase its investment in equipment, such as radio vans.

The station made pre-tax profits of £287,000 on turnover of £2.5m in the year to September 1982. The latest year's results would show a significant improvement when published, Mr Pinnell said.

The company has reserves of £700,000. It would be interested in investing in a commercial national radio network planned for the end of the decade and in cable television.

BRMB says that 61 per cent of adults in Birmingham listen to the station at least once a week — more than any other radio channel.

Currently there are 42 ILR companies on the air covering more than 80 per cent of the UK population. Seven more are due to come on air in 1984/85 and the Home Office has authorised the IBA to go ahead with stations in 20 other locations.

Second quarter improvement at RTD

AS INDICATED in its annual report, **RTD Group** continued to suffer heavy losses in the first quarter of the current financial year, but it made significant progress in rebuilding the group, and, as a result, traded profitably in the second quarter.

In the six months to August 31 1983, this Dublin-based electroplater and generating set manufacturer, had pre-tax losses of I£61,000, compared with I£96,000 in the corresponding period last year.

No interim dividend is again payable—the company's last payment was 0.65p in 1977.

First half turnover rose from £3.21m to £3.72m, and there was a trading profit of £22,000 against losses of £9,000. The pre-tax figure was after interest charges down from £87,000 to £83,000. Tax credits totalled *£26,000* (£25,000), but there were extraordinary debits of £106,000 (£23,000). The loss per 20p share was halved at 1.6p (3.2p).

The directors say tighter financial controls are resulting *in significantly lower levels of* working capital being required. This is having a favourable impact on cash flow, and will result in lower financial costs.

The liability regarding the group guarantee on a leased property occupied by a former Irish subsidiary, has been extinguished by reaching a settlement with the landlords. This settlement is fully provided for within extraordinary items in the interim statement. *Comparative figures for the previous* periods have been appropriately re-stated.

The group is pursuing a claim against a third party with a view to recouping its losses, and no account has been taken of any possible sum receivable in respect of this claim.

Extraordinary items also include various costs in connection with the general offer made to shareholders in May 1983.

To date, the company has achieved within the time scale, much of the original objectives. These were to ensure the return to profitability of the trading subsidiaries, reduce the burden of debt, tighten financial controls and reduce central costs: and re-organise the share *capital* by *converting* the preference shares into ordinary shares.

CU introduces a terminal bonus in 1984

A slight increase in its reversionary bonus rates for 1983 and the introduction in 1984 of terminal bonus has been announced by the **Commercial Union Assurance Company**.

On ordinary with profit policies, the basic compound bonus rate is maintained at £5 per cent of the sum assured and attaching bonuses. However, the additional "bonus-on-bonus" rate is lifted by 50p to £2 per cent of attaching bonuses.

This increase will only be of significance to those policies which have been in force for many years.

All death or maturity claims from January 1 1984 will have added a terminal bonus of 10 per cent of the sum assured and attaching bonuses.

The company has kept unchanged for 1983 the reversionary bonus rates on self-employed and executive pension plans at £7 per cent compound plus a bonus-on-bonus of £2.50 per cent.

These policies will, from 1984, receive a terminal bonus on becoming a claim, the initial rate being 7½ per cent of the benefits provided the policy has been in force at least 10 years, with a pro rata scaling down of bonus for shorter terms.

Mr Peter Ward, UK divisional director and life manager, commented that the introduction of a terminal bonus would enable policyholders to participate in the company's recent investment successes while still retaining the security of a competitive basic reversionary bonus.

The interim bonus rates for 1984 are kept unchanged on ordinary policies, but on self-employed and executive pension *plans* the bonus-on-bonus rate will be £2 per cent together with a £7 per cent compound bonus.

The **Sun Life Assurance Society** is keeping its reversionary bonus rates unchanged for 1983, the second successive *year it has done so, but has* again substantially lifted its terminal bonus rates, reflecting the capital appreciation of its equity holdings.

On whole life and endowment assurance policies, the terminal *bonus rate for 1984 rises from* 30 per cent to 50 per cent of attaching bonuses, while under the flexible Ten-plus-Ten plan, it is increased from 20 per cent to 30 per cent of attaching bonuses.

Kensington and Chelsea placing

Subject to admission to the Stock Exchange Official List, dealings are expected to begin at 2 pm on December 30 in the **£10m Royal Borough of Kensington and Chelsea 11.15 per cent** redeemable stock 2006, which has been placed with institutions.

The stock is being issued at £100 per cent.

Ray Maughan looks at projected merger of Marks & Spencer suppliers

Brokers' rejection of a Miller's tale

AT first glance, the bid which **Nottingham Manufacturing**, the knitwear group, is making for ***F. Miller (Textiles)** bears more* than a passing resemblance to the offer Nottingham made in September 1976 for George Spencer.

Then, the two businesses were said to be complementary and, selling children's wear to Marks & Spencer, Miller plainly fits that description.

Spencer complained at the time that its businesses were being affected by foreign competition which is one of the principal reasons Miller is giving for the forecast downturn in profits to February 13.

Even the price Nottingham is offering is very similar. Spencer shareholders were to be paid 35p per share while, as the terms *were first announced, the value* of the bid for Miller was 35.6p per share.

There, however, resemblances end. While Spencer shareholders were to be offered cash, Nottingham has on this occasion kept its £66m cash balances in its vaults and offered merely an equity exchange.

And, while the Spencer board resisted Nottingham's overtures bitterly, *Miller's directors have* accepted in respect of their entire shareholdings committing 17.4 per cent of the ordinary capital to Nottingham's approach.

But the matter does not end with the board's compliance because one of Miller's joint stockbrokers, Grieg Middleton, is taking up the cudgels on behalf of independent shareholders. The firm says that institutional shareholders are "disgusted and disheartened" by the terms of this agreed offer, and has spoken to holders of at least 35 per cent of the ordinary shares.

The investment funds appear to have heard what Grieg Middleton is saying. As one said yesterday: "It is early days yet, but prima facie, Grieg Middle*ton's position looks right.*"

The core of that position is that Miller, based in Glasgow, has had a very long unbroken record of profits growth which is about to be broken this year as profits come down from £2.4m to £1.8m.

Foreign competition is said to be one of the major culprits, but since Miller sells an estimated 85 per cent of its output *to Marks & Spencer*—which employs a vigorous buy British policy—analysts in other City stockbroking firms believe that the imports are merely a secondary issue.

What may be more important is the remark made by Mr Frederick Miller, chairman, in detailing further reasons for the downturn. He said, in an explanatory letter to shareholders, that the company had been unable to win contracts of sufficient size to keep its automatic machinery operating at full capacity.

Prospects are said to be "not encouraging" unless Nottingham merged with Miller to take up the excess capacity. Without this deal, Miller has said that it could not regain former levels of profitability even by reducing the scale of its manufacturing operations.

Greig Middleton thinks otherwise. Acknowledging that full details of Middleton's trading performance are sketchy, the broker has estimated Miller's assets at 51p net per share and says that the group has substantial cash balances. The stock*broker will be putting its case* to Scottish shareholders at a private meeting at the offices of Ivory & Co at Castle Street, Edinburgh on January 4 and to English institutions at its own offices in London two days later.

But, between then and now, leading investors will be anxious to hear further details of the group's relationship with Marks & Spencer and the scale of investment in new capacity to develop markets outside its children's wear base.

It is thought that Miller has invested in Gerber computerised cutting machinery. If so, Miller has greatly expanded its potential output which last year produced turnover of £9.03m.

S. R. Gent, another supplier to Marks & Spencer, has installed two Gerber machines which, when working on a two-shift basis, produce annual turnover of some £70m or £17.5m per machine, per shift, per annum.

Shares in Nottingham and Miller were unchanged yesterday at 218p and 38p respectively.

SHARE STAKES

May and Hassell—Deltec Secs. (UK) and its associates now own 569,000 ordinary (8.08 per cent).

Personal Assets Trust—Brolliet and Cie has sold 285,000 shares, reducing its holding to 949,837 ordinary.

Caparo Properties—Sun Life Assurance Society has purchased a further 50,000 shares making its holding 550,000 shares (6.448 per cent of the issued shares).

Dares Estates—Mr P. D. Jackson, chairman, has disposed of 370,000 ordinary shares. He now holds or controls 5,404,534 shares (16.7 per cent).

International Signal and Control GP—Mr Joseph H. Zilligen, a director has sold 300,000 ordinary, and his holding is reduced to 300,000 shares.

Fairview Estates—Mr P. C. Davies, a director, has disposed of 400,000 ordinary shares.

Elswick-Hopper—Mr A. L. Turner, a director, sold 120,000 ordinary shares, making total holding 5,669,936 shares (14.96 per cent).

Munford and White—Border and Southern Stockholder Trust sold 417,240 shares (12.93 per cent) on December 8, at 215p each. After this transaction, Border and Southern holds 300,000 shares (9.3 per cent)

Argyle Trust—Mr G. F. Morgan, chairman, purchased beneficial interest in 30,000 ordinary shares for 42p each. His beneficial interest is now 30,000 while his non-beneficial interest remains at 875,936 shares.

MINING NEWS

High-grade uranium deposit discovered in Saskatchewan

BY GEORGE MILLING-STANLEY

A CONSORTIUM of international companies has discovered a big and extremely high-grade uranium deposit at Cigar Lake in the Athabasca sandstone basin of north-eastern Saskatchewan.

Several other uranium deposits have been discovered in the Athabasca basin, most notably the C$500m (£280m) Key Lake mine which was officially opened earlier this month.

The new find at Cigar Lake, by a group of companies known as the Waterbury joint venture, has estimated reserves of 125m pounds of uranium oxide (U308). This compares with Key Lake's 200m lbs of reserves.

The Waterbury venture is led by Saskatchewan Mining Development Corporation (SMDC), a Crown corporation controlled by the provincial government, with 50.75 per cent. The other main shareholder is the French-owned Seru Nuclear (Canada), with 33.625 per cent, while the remainder of the equity is split between companies from the U.S. and Japan.

The consortium has so far reported in detail on seven drill holes, with values ranging from 7.2 per cent uranium oxide across a width (thickness) of 14.2 metres, to a very rich 25.02 per cent across 9.5 metres.

Another intersection averaged 24.08 per cent across a big width of 17 metres.

Key Lake's average grade, by contrast, is 2.35 per cent, and even that figure is more than 10 times the grades of the Denison Mines and Rio Algom operations at Elliot Lake in Ontario.

The Cigar Lake deposit is understood to be associated with arsenic, cobalt, nickel and sulphides. Preliminary engineering and mining studies are under way, but commercial production is unlikely to start before 1990.

Apart from the latest discovery, SMDC also owns 50 per cent of Key Lake, with a one-third interest in the hands of Uranerz Exploration and Mining of West Germany and one-sixth held by Eldorado Nuclear, which is owned by the Federal Government.

Key Lake's operators claim that the mine is developing into the biggest single operating uranium mine in the world. The design capacity of 1m lbs of uranium oxide a month is likely to be achieved early in 1984.

The C$500m capital expenditure is expected to be recouped "within a few years," the operators say. It is, however, believed that uranium prices currently being received under long-term contracts are below the recent spot price of U.S.$24 per pound.

Government cost burden on the Canadian mines

CRITICISM of the harmful effects of government-imposed costs on the competitive position of Canada's mining industry in world markets has come from Mr Harold Fargey, president of the Mining Association of Canada.

These government-imposed costs are separate from corporate taxes and royalty payments. They apply whatever the state of a company's profitability and include such charges as sales tax, unemployment insurance, rising power and water charges and the cost of dealing with government departments.

Mr Fargey told the Macdonald Commission on the Economic Union and Development Prospects for Canada that the country exported 80 per cent of its mineral output, earning some C$13bn (£7.29bn) annually. The mining industry contributed more to Canada's gross national product than agriculture and supported 650,000 jobs.

This contribution could be jeopardised by government-imposed costs which account for about 30 cents of every dollar spent by the industry to bring its products to market.

The commission was told that these costs were needlessly increased by the proliferation of government departments, there being 25 federal departments involved in administering mineral affairs, each of which tended to function separately.

Mr Fargey, who is also executive vice-president of Cominco, pointed out that "the key to success in meeting competition is to cut costs and raise productivity." He added that the mining industry had recognised this and taken the appropriate action, but government must also play its role.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims: Dollonds Photographic, Stavert Zigomala.

FUTURE DATES

Interims—	
Bespak	Jan. 11
Black (Peter)	Jan. 13
Gnome Photographic Products	Jan. 17
Magnet and Southerns	Jan. 11
Mountleigh	Jan. 4
Finals:	
Bluemel Bros.	Jan. 11
Imperial Group	Feb. 9
Investors Capital Trust	Jan. 10
Oakwood	Jan. 12
SGB	Jan. 16

BASE LENDING RATES

A.B.N. Bank	9 %	■ Hambros Bank	9 %
Allied Irish Bank	9 %	Heritable & Gen. Trust	9 %
Amro Bank	9 %	■ Hill Samuel §	9 %
Henry Ansbacher	9 %	C. Hoare & Co. †	9 %
Arbuthnot Latham	9 %	Hongkong & Shanghai	9 %
Armco Trust Ltd.	9 %	Kingsnorth Trust Ltd.	10 %
Associates Cap. Corp.	9½%	Knowsley & Co. Ltd.	9½%
Banco de Bilbao	9 %	Lloyds Bank	9 %
Bank Hapoalim BM	9 %	Mallinhall Limited	9 %
BCCI	9 %	Edward Manson & Co.	10 %
Bank of Ireland	9 %	Meghraj and Sons Ltd.	9 %
Bank Leumi (UK) plc	9 %	Midland Bank	9 %
Bank of Cyprus	9 %	■ Morgan Grenfell	9 %
Bank of Scotland	9 %	National Bk. of Kuwait	9 %
Banque Belge Ltd.	9 %	National Girobank	9 %
Banque du Rhone	10 %	National Westminster	9 %
Barclays Bank	9 %	Norwich Gen. Tst.	9 %
Beneficial Trust Ltd.	10 %	R. Raphael & Sons	9 %
Bremar Holdings Ltd.	9 %	P. S. Refson & Co.	9 %
Brit. Bank of Mid. East	9 %	Roxburghe Guarantee	9½%
■ Brown Shipley	9 %	Royal Trust Co. Canada	9 %
CL Bank Nederland	9 %	Standard Chartered ‖	9 %
Canada Perm't Trust	10 %	Trade Dev. Bank	9 %
Castle Court Trust Ltd.	9½%	TCB	9 %
Cayzer Ltd.	9 %	Trustee Savings Bank	9 %
Cedar Holdings	9 %	United Bank of Kuwait	9 %
■ Charterhouse Japhet	9 %	United Mizrahi Bank	9 %
Choulartons	10½%	Volkskas Intnl. Ltd.	9 %
Citibank Savings ¶	10½%	Westpac Banking Corp.	9 %
Clydesdale Bank	9 %	Whiteaway Laidlaw	9½%
C. E. Coates	9½%	Williams & Glyn's	9 %
Comm. Bk. of N. East	9 %	Wintrust Secs. Ltd.	9 %
Consolidated Credits	9 %	Yorkshire Bank	9 %
Co-operative Bank *	9 %		
The Cyprus Popular Bk.	9 %		
Dunbar & Co. Ltd.	9 %		
Duncan Lawrie	9 %		
E. T. Trust	9½%		
Exeter Trust Ltd.	10 %		
First Nat. Fin. Corp.	11 %		
First Nat. Secs. Ltd.	10½%		
Robert Fraser	10 %		
Grindlays Bank ‡	9 %		
■ Guinness Mahon	9 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 5.5%, 1-month 6%. Fixed rate 12 months: £2,500 9%; £25,000 12 months 9.5%.
† 7-day deposits on sums of: under £10,000 5½%, £10,000 up to £50,000 6½%, £50,000 and over 7½%.
‡ Call deposits £1,000 and over 5½%.
‖ 21-day deposits over £1,000 6½%.
§ Demand deposits 5½%.
¶ Mortgage base rate.

CONTRACTS

£276m defence order for ITT Corporation

ITT CORPORATION has been awarded a contract to begin producing the U.S. Army's new tactical radio designed to modernise and upgrade field communications. The initial contract, including options, is valued at about $400m (£276m). Over the next two decades the Department of Defence has estimated the program will result in several billion dollars worth of production for U.S. and friendly foreign forces. Production will begin in late 1984 at a new ITT aerospace-optical division now under construction in Fort Wayne.

★

Under a £1.3m contract awarded by Marconi Space and Defence Systems, an Ottawa-based company, CANADIAN ASTRONAUTICS, is to finalise the design, build and deliver an advanced communications antenna for the Skynet 4 military communications satellite for which British Aerospace is prime contractor.

★

Milton Keynes District Health Authority has awarded CROTHALL AND CO, part of Pritchard Services Group, a contract to provide ancillary services at the new 372-bed Milton Keynes District General Hospital. Work on the initial clean will begin at the end of January, although the hospital is not expected to become fully operational until late spring. The contract also includes domestic services at the associated Eaglestone Health Centre, and its total value is about £800,000 over the full three-year term. Crothall was also awarded a contract to provide domestic services at the four health centres in London's West Lambeth Health Authority.

★

TANKARD CARPETS, Bradford, has won a £250,000 contract to carpet the new P & O Royal Princess (40,000 tonnes). The specially designed and coloured, 80 per cent wool/20 per cent nylon, Wilton carpets will be made in four special widths, and deliveries are scheduled to begin in February.

★

TAISEI CORPORATION and MITSUBISHI CORPORATION have won a Y35bn (£104m) Indonesian hydroelectric power plant order in cooperation with P. N. Pembangunan Perumahan, a local construction company. Taisei says that the order is for a 500,000 kW/hr power station on the Lower Chitarum, west of Java. Completion is expected in spring 1988.

★

A £150,000 contract for a wash plant for British Nuclear Fuels has been awarded to MARR ENGINEERING — a Horsell Group company. The plant will be used to remove radioactive contaminants from graphite crucibles at BNF's Springfield factory near Preston.

★

CRABTREE VICKERS, Gateshead, has won export orders worth over £1m for sheet fed off-set metal decorating presses and coaters for the Chinese can making industry.

★

PILKINGTON GLASS has won an order worth nearly £1m for 32,550 Reflectafloat double glazing units for South Korea. The units, ordered by the Daehan Kyoyuk Life Insurance Company of Seoul, are for use in a series of standardised office units. The first consignment, made at Pilkington's factory in St Helens, has been despatched. The final batch is due to be delivered by April.

★

CARSON OFFICE FURNITURE has won an order from Smiths Industries at Basingstoke, for £130,000 worth of office furniture. Carson is supplying screen-mounted and free-standing desking from its Link 900 range, as well as storage and fabric-covered screens, for the open plan offices. The order forms part of the refurbishment of Smiths Industries' materials management and production engineering department and the design engineering department.

★

KDG INSTRUMENTS, Crawley, has been awarded a contract, worth over £220,000, by the south-west region of the Central Electricity Generating Board for the supply of KDG 4000 series differential pressure transmitters for the Hinkley Point nuclear power station. They will be used for boiler drum level control systems on nine boilers. KDG Instruments is part of the Bath and Portland Group.

★

The BUSINESS AND TECHNICIAN EDUCATION COUNCIL (BTEC) has been awarded an £800,000 contract by the Manpower Services Commission to develop new ways of teaching technicians and supervisors about the application of new technology in business. The project is likely to take three years to complete.

★

LION FOUNDRY, Kirkintilloch subsidiary of the Norcros Group, has received £750,000 worth of orders from British Telecom. A £250,000 order is for the supply of telephone kiosks during 1983-1984. Lion is now the sole supplier of the red cast iron kiosk. The other order is for green roadside cast iron cross connection cabinets, housing communication cables, worth over £500,000.

★

Orders recently awarded to BURROUGHS for non-banking document processors includes Thames Water for a £140,000 triple S3900 for installation in January, and the National TV Licence Records Office which, having installed two medium speed S6000 systems in November, has ordered two S3600's for delivery early next year.

★

DORNIVER, Rushden, Northants, has won a £600,000 order for supplying computerised drilling machines for printed circuits to Japan.

★

Under a contract worth over £550,000 the Wessex Water Authority has ordered an advanced PABX digital telephone network from HARRIS SYSTEMS, Slough. Scheduled for a phased installation beginning in January, the network will comprise five 400 line D1205 dual processor digital PABXs located in Bristol, Nailsea, Bridgewater, Poole and Bath. Using PCM (pulse code modulation) interface units the PABX will be interlinked via Megastream, a 2 megabit digital carrier being installed for Wessex Water by British Telecom, for integrated voice and data communications.

★

A £750,000 order for what is probably the world's largest marine installation of a reverse osmosis system has been won by CLARK INDUSTRIES of Hull. The contract, awarded by the Selco shipyard in Singapore, is for three reverse osmosis plants, together capable of converting 1,500 tonne of seawater into fresh water each day, for a water supply barge. The barge will store the converted water and supply it to a drilling operation being carried out about 60 miles offshore. The water will be used both for drinking and as process water for the drilling operation.

★

Mannesmann wins £18m steel work

MANNESMANN AG's 90 per cent subsidiary Mannesmann Demag has won a DM 75m (£18.8m) contract to modernise and re-equip a steel works for the Spanish firm Altos Hornos de Vizcaya. The work will be shared with Demag's 50 per cent subsidiary Sidernaval Equipos Siderurgicos and is due to be completed by early 1985.

★

SCIENTIFIC-ATLANTA INC (in which Plessey has a stake) has a contract to provide Time Inc's American Television and Communications Corporation subsidiary with over $40m (£27.6m) of series 8500 addressable television set-top terminals and related control equipment for cable television. Deliveries will start this month and continue to June 1986.

★

SOILAX, Swindon, has a £300,000 contract for the buttermaking development at the Dairy Crest Creamery, Kendal. This involves overall project management services, and the design, engineering installation and commissioning of the process scheme, along with associated process/CIP pipework, process control and CIP system.

★

GODWIN WARREN CONTROL SYSTEMS has a contract worth over £500,000 from the British Airports Authority to supply and install its "CAPS" computerised automatic and "Parkscan" parking systems for computer surveillance and control at Terminal 2 car park at London's Heathrow Airport.

★

DUNLOP TRANSPORTATION SYSTEMS has been awarded a contract worth over £1m by Taylor Woodrow Construction, managing contractors for the British Airport Authority's new terminal 4 being built on the south side of Heathrow Airport. The contract, to supply and install Dunlop "Starglide" passenger conveyors, includes eight units with glass balustrades. Each unit will be fitted with passenger conveyor belting. Installation is scheduled to begin in the spring, and the eight units will be completed before the new terminal opens in 1985.

★

NUOVO PIGNONE, the engineering unit of Italy's State oil company, Ente Nazionale Idrocarburi (ENI), has received Yugoslav and Iraqi contracts for automated pipeline control, pumping stations, and petroleum products storage. Nuovo Pignone will supply Yugoslavia with an electronic control system for the Viovodina pipeline, valued at L4bn (£1.7m), ENI said. The control system, which will be delivered on a turnkey basis, includes electronic calculators ad 24 terminals and instrumentation. A similar turnkey system will be sold to Iraq's SCOP, through the Soviet Union's Tsvetmetpromexport company. Iraq will also buy a system of pumps and of petroleum products deposits from Nuovo Pignone. The system wil be installed at Mishahda, north of Baghdad. ENI did not reveal the value of the Iraq sale.

★

Indonesian State-owned electricity company Perusahaan Listrik Negara has awarded an order for equipment worth $23.8m (£16.5m) to the Yugoslav engineering group ENERGOINVEST. The order is for transformers and a high-voltage transmission line on the island of Bali.

APPOINTMENTS

Imperial Foods finance director

Mr John Gainham has been appointed finance director of IMPERIAL FOODS from January 1, following similar appointments with subsidiary trading companies within the group. He will succeed Mr John Buckle who is retiring early. Mr Gainham joined Imperial Foods from British Olivetti in March 1981, to be finance director of Buxted Poultry. Following the sale of Buxted and the group's other poultry interests in 1982, he rejoined Imperial as finance director of Young's Seafoods, on January 1, 1983.

★

Mr Paul Milton becomes managing director of the financial institutions division of GRINDLAY BRANDTS INSURANCE BROKERS from January 1.

★

THE CHARTERED BUILDING SOCIETIES INSTITUTE has appointed Mr Robert D. Crerar as secretary. He was deputy secretary.

★

Mr Donald J. Inglis has been appointed managing director of PERCY LANE, a subsidiary of Planet Group. He joined the group in 1965. Mr Trevor E. Barter has been appointed a director of Percy Lane, which he joined from Land Rover in June 1983.

★

Mr P. E. M. Borrowdale, Mr P. Crook and Mr J. P. Wotton become partners of ALLEN AND OVERY on January 1.

★

Mr R. H. Tudor, manager, London, of the RESERVE BANK OF AUSTRALIA retires on December 30 and is succeeded by Mr K. W. Dawton.

★

Mr David B. Brittain is joining the board of ALVIS as technical director from January 1. He joined Alvis in April 1982 as design and development manager. He succeeds Mr John Hedges, who will remain a director until his retirement in November 1984.

★

Mr Stewart Francis has been appointed managing director of HEREWARD RADIO, the Peterborough based independent local radio station. Currently programme controller, he succeeds Mrs Cecilia Garnett who is planning the launch of a new commercial station [illegible] Canterbury.

★

Mr Roger F[illegible]man, managing director of Iridon, St Albans, is appointed a director of CUNDELL PLASTICS from January 1. Mr John Amos, secretary of Cundell Plastics will additionally be appointed financial director from the same date. Mr Clive Hutton, managing director of Cundell Plastics will be appointed a director of Iridon on January 1. Mr John Amos will be appointed secretary from the same date. Both companies are in the rigid plastics and metals division of the Mardon Packaging Group.

★

Mr G. Cahill, managing director of Gaskell and Co. (Bacup) and Mr G. A. Peake, managing director of Broadloom Carpets have been appointed to the board of the group holding company, GASKELL BROADLOOM from January 1.

★

R. A. LISTER FARM EQUIPMENT, a Hawker Siddeley company, is to supply equipment technology and sheep shearing sets worth £530,000 to the People's Republic of China. During the interim period before a new Chinese manufacturing plant becomes operational in 1985 Lister will supply 500 sheep shearing sets so that current wool production levels can be increased.

★

Mr David Montagu has been appointed chairman of TARGET LIFE ASSURANCE CO. from January 1. He succeeds Mr Edward Clowes, a founder director of Target, who has retired as chairman but remains a non-executive director. Mr Montagu is also chairman of Target Trust Managers and J. Rothschild Investment Management and a director of Charterhouse J. Rothschild. He is a director of a number of other public companies and investment trusts.

★

Mr John G. Walker has been appointed to the board of the DUNTON GROUP. A partner of stockbrokers Ernshaw Haes and Sons, his appointment is from January 3. Mr David Hearne has resigned as a director of the group but remains a director of the bulk earthmoving subsidiary and has been appointed a director of Dunton Brothers. Mr Hearn remains company secretary to all three companies.

MANAGEMENT: Marketing

EDITED BY CHRISTOPHER LORENZ

Selling Scotland

Going for a joint approach

BY RAY PERMAN

Scotland's for me!

"I'M NOT YOUR archetypal Quango merchant. I've spent most of my life as a line manager and I'm used to the discipline of the bottom line."

Alan Devereux, chairman for the past 2½ years of the Scottish Tourist Board, is trying to live down the image of the Government appointee as an old buffer in semi-retirement by bringing to bear the techniques he learnt in industry.

An Englishman by birth, he made his reputation in Scotland as managing director of Scotcros, the industrial trading group, and became chairman of the Scottish CBI (he still sits on the confederation's national council). His appointment to the £16,000-a-year part-time chairmanship of the tourist board signalled a change in direction for the organisation and a readiness for controversy.

Scottish tourism interests have long felt that the UK structure of tourism marketing has worked against them. In theory the domestic tourist boards—England, Scotland, and Wales and the regional boards (such as London, the Heart of England, etc) — do domestic marketing and look after tourists when they arrive. It has been for the British Tourist Authority to market the nation overseas. (The waters are muddied a little by the tourist activities of the Highlands and Islands Development Board and the Northern Ireland Tourist Board.)

Increasingly the Welsh and Scottish boards have been accusing the BTA of an English, and particularly a London, bias. This has produced strenuous denials from the BTA but signs of concessions from the Government.

While the structure of tourism marketing has been a target of criticism by interested parties in Scotland, Devereux began at the STB by being openly critical both of the board's past performance and the standards of the Scottish tourist industry generally, a stance which earned him — at least temporarily — the animosity of some hoteliers and restaurateurs.

"As far as I was concerned the Scottish Tourist Board had about as much influence as the average guide at Edinburgh Castle. It produced some maps and posters showing miserable Highland cattle with their feet in a loch and the words 'Bonny Scotland' underneath," he says now.

He is critical of the then management structure and in terms of the attempt made to try to integrate the efforts of people involved in the industry in Scotland, the board "might just as well have not existed," he says.

Devereux's immediate changes led very quickly to the resignation of the chief executive and a number of other senior staff. He insisted that everything the board did should have a commercial justification and that where possible some way should be found of measuring its performance.

The research department was merged with the development department and much of the work it had been doing was scrapped. The public relations department was required to cost each press release and justify it in terms of the column inches it elicited in newspapers and magazines.

Since there was no obvious existing "bottom line" for the board as a whole, Devereux invented one. He divided total board spending by the number of bednights spent in Scottish hotels and guest houses each year. Currently the figure is 11p, one which Devereux believes is acceptable, but which he wants to see reduced over the next few years by a steady increase in tourist numbers.

The biggest change, however, was in the emphasis on marketing. Devereux believed not only that the board should join with the trade in increasing its marketing efforts, but also that it should drop generic advertising in favour of an approach aimed at selling specific products.

Rather than initiating advertising campaigns itself (although it still books the space), the board now supports joint venture advertising with hotels, tour operators and other members of the trade who will incorporate the board's "Scotland's for me" slogan and rainbow logo into their publicity material. The board's money largely goes to extend campaigns and make them more effective.

Backing this up is the "Scotland's for me" brochure, advertised on television, in the press and through road shows. Although big hotels and groups advertise in it, the low cost (£165) enables small hotels, guest houses, caravan parks, restaurants and shops to reach a mass audience which would otherwise be beyond their means. The only condition is that they must advertise a specific product which is priced.

"We monitor the response the individual hotelier gets," Devereux says. "Some have got about 60 per cent of their business through the brochure."

Another inititive aims to sell Scottish holidays through travel agents by producing a package tour brochure similar to those which promote holidays in Spain or Greece. The board put together hotels and guest houses to provide packaged holidays at competitive prices, but then could not find a major tour operator to take them on.

The solution was to back Scotsell, a small Glasgow tour firm which was keen on the idea but lacked the organisation needed to take high volume of telephone bookings. The board takes calls from agents, while Scotsell handles the arrangements on the ground, taking a commission on each holiday sold.

Joint ventures have been tried in the U.S. and Canada with airlines and tour operators, but the Scottish board is restricted by law in the amount of promotion it can do overseas, producing frustrations which have led Devereux to clash publicly with the British Tourist Authority. His protests (and a threat of resignation if he did not get his way) have produced a promise from the Government to amend the board's powers during the present parliamentary session.

When he gets his new freedom Devereux plans to set himself a target of doubling the number of overseas visitors to Scotland, although he will not put a timescale on it.

Concurrently with the marketing efforts the board has run an ambitious programme to bring the trade into decision-making at both local and national levels. District councils, which have responsibility for tourism promotion in Scotland, have been encouraged to join area tourist boards and pool their budgets with contributions from the industry members and the Scottish Tourist Board.

Devereux's attempts to make the Scottish Tourist Board more efficient and accountable have had some success, but ironically, he sees problems resulting from that. "Every pound we spend we can account for. We have cut costs and we have 8 per cent less staff than two years ago.

"But there is no fat. We are not as comfortable as some Quangos which have allowed themselves a little extra sloshing about in the system. The Government will not give us any more money next year, but we want to expand our activities, so we will have to get the money from somewhere."

Retailers cast as villains

Edward Alberge gives a personal view of the buying policies of High Street chains

NOBODY, it seems, has escaped blame. The City of London, the unions, politicians, manufacturers, management and workers—for most economic sleuths, one or more are the prime suspects in tracking down the causes of our economic demise. There is, however, one section of the economy on which suspicion hardly ever falls, even as a minor accessory.

The retail sector in Britain is almost unique, even compared with the United States. It has acquired a dominance over the natural flow of products and money that may have disturbed the hydraulic press balancing the forces manufacturing goods and those consuming them.

If retailers have contributed to Britain's economic problems, it must be in the key sectors—food, clothing, or electrical goods for example—where a handful of chains has a major market share. If the growth of multiples has, incidentally, turned our High Streets into monotonous replicas, among which the meanest French village charcurterie would stand out tastefully, has this at least been to the economic good?

In recent years, the average return on capital of public retail groups has been some 40 per cent higher than for manufacturers. Furthermore, among manufacturers, profit ratios fluctuate wildly and loss years are common, while in retailing, swings are less violent and, despite glaring exceptions, losses rarer. Do the better returns—as returns should—reflect some greater risk in retailing? Why is the return so much higher?

For manufacturers, new products must pass through a series of stages—market research, development, testing, tooling, prototype production—measured in months or even years. They must then be promoted. The planning to bring a product to the market is usually complex, involving continuous co-ordination between several different managerial functions. If a product fails—success rate is one in five—the investment in development, tooling, stock and promotion, and sometimes plant, is a write-off.

By contrast, the retail purchasing process is a matter of mere selection, and involves no logistical complexity. Lead time is significantly less and buyers need only minimal internal co-ordination. If a product succeeds, the buyer steps up his commitment, and though this frequently causes him delivery delays or lost sales because his supplier may have learned to gear up to more optimistic demand expectations, the supplier suffers correspondingly.

On the other hand, if a product fails, retailers merely cut off orders beyond their commitment. While manufacturers have to resort to jobbers at rock-bottom prices to clear failed stock, retailers can put their own redundant merchandise on "sale" through their branches. The "bargain" prices are usually not less than purchase cost. In any case, at worst, a retailer's investment is only inventory. But his hard assets, store space and fittings, can be adapted to other articles.

Multiples depend vitally on merchandiser flair to select winning products, and that skill should not be under-rated; nor its importance in keeping manufacturers on their toes regarding design, quality and price. But the risks, and the ease with which retailers can switch products and suppliers, or exploit exchange rates, bear no comparison with the inflexibility of manufacturing.

British manufacturers have been criticised, often rightly, for failure to design what the public wants. Major retailers will often help informally, but despite their close knowledge of the consumer, they rarely contribute hard research or money towards the costly and risk development process.

The terms nowadays extracted by major multiples or source of serious, though silent, concern among many suppliers.

The following is a typical price discount stores have become a structure for a non-food product that is not heavily promoted:

	%	%
Retail selling price	115	
VAT	15	
	100	
Retailer's gross margin	34	
Ex factory price	66	100
Factory gross margin	23	35
Manufacturing cost	43	65

However, the manufacturer's marginal contribution may be 60 per cent or more in the example, whereas the retailer's gross margin and marginal contribution are identical. Therefore, while the supplier will gain handsomely if he beats the sales budget on which his cost prices are based, his risk from a shortfall is correspondingly great. By contrast, the retailer's risks (and benefits) from sales fluctuations are far less significant. The difference in risk widens considerably for an advertised product.

Much of the differential in prices paid by independents and multiples has been passed on to the consumer. Therefore, the major groups have played a key role in keeping down the cost of living. But the cost has been largely borne by manufacturers (and by independents cutting their margins to survive).

Few suppliers, even among the largest, are a match for an individual group of multiple stores. Few can ignore the multiple outlet. More and more small retailers are being forced into buying groups, accentuating the margin erosion facing manufacturers.

A further consequence of multiple power is "own brand labels." Ostensibly, this might be thought beneficial to suppliers in providing high, regular captive demand. It sometimes is. But, fundamentally, it is an incursion by retailers into manufacturing without the full concomitant risks. Multiples earn part of the production margin, yet leave the supplier to carry the productive investment and to face the risk of disengagement, however remote that may seem. It is the manufacturer which is likely to become the captive.

Finally, in considering the relative margins of manufacturer and retailer, their respective risks and capital employed, it must be remembered that retailing is mainly for cash, while stocks are usually outweighed by creditors. Retailers have little or no working capital to fund by borrowings.

Clearly, efficiency plays a part in the return on capital of the retail sector. It is not easy to manage a range of thousands of products; nor, despite docile unions, is it easy to manage a staff with a notoriously high turnover. Some groups have risen to that challenge, but too many have depended on purchasing power to raise profitability.

Most manufacturers would agree that inroads into their margins long ago reached dangerous levels. Many are burdened as much from having to concede commercially unsound terms to the large groups as from the recession and the other factors usually cited as causes of our economic problems. For example, a 1 per cent enforced reduction in a manufacturer's selling price is probably as penal to net earnings as raising the corporate taxation rate by a full 15 per cent.

Producers must be able to charge prices which provide reasonably adequate margins to reward their risks, to replace obsolescent products and plant, and to ride out the dangers they especially run in economic troughs. That is not an argument for retailers to subsidise inefficiency. But in the long run, intense pressure from an oligarchy of multiples is unhealthy for the manufacturing sector and the economy. Wealth is not created by retailing. Perhaps manufacturers must unite —they have nothing to lose but the chains!

Edward Alberge is a management consultant.

AD HOC

IF YOU want to know the number of jobbers on the Stock Exchange, the value of the UK coffee market, the average weekly household spend on food, the top 100 UK advertisers or the page rates in the Shropshire Star —you won't want to be without the new Marketing Pocket Book 1984, published by the Advertising Association.

A godsend for those with poor memories, this excellent pocketbook of vital statistics (including economic, demographic, media and consumer matters) makes intriguing reading and means marketeers need never be at a loss for the ready answer.

Available from the AA, Abford House, 15 Wilton Road, London SW1 for £7.50 inclusive of postage.

●

THE direct marketing fraternity is to hold its sixth annual fair on March 7 and 8 next year in Kensington Exhibition Centre, London.

INTERNATIONAL MARKETS

WALL STREET

Treasury weighs down on dealings

SENTIMENT looked a shade less optimistic on Wall Street yesterday as the swelling ranks of stockbrokers returning from the Christmas weekend found short-term rates edging up again and the bond market in slack water while waiting for the rest of this week's heavy funding programme by the U.S. Treasury, *writes Terry Byland in New York.*

Leading stocks managed a successful rally in late afternoon, after drifting lower for most of the session. The Dow Jones industrial average closed 0.51 down at 1,263.21. Turnover improved to 86.3m shares from Tuesday's 63.8m but was still below normal trading levels. The late rally was led by oil stocks featured by Shell Oil $1½ higher at $39¾ and Gulf Oil $1⅜ better at $43⅞.

The credit markets saw little genuine investment business although the pressure of the bank settlement operations following the extended weekend caused some gyrations in the Federal funds rate, the overnight fund for federal cash on the interbank market.

Confidence in the prospects for a fall in interest rates was sustained, however, by the favourable outcome of the first leg of this week's Treasury funding operation. The auction of Treasury bills brought yields of around 10 basis points lower than a week ago. A good demand was reported for the auction of $6bn in four-year notes which traded at a yield of 11.44 per cent.

The stock market opened steadily but was discouraged by a rise in Fed funds from 9.02 per cent overnight to 9¾ per cent at midsession, when the Federal Reserve Board intervened with $1bn in customer repurcheses.

Another setback was suffered by airline stocks and utility issues remained friendless as investors pondered the implications of recent setbacks to nuclear power projects.

There was little activity in the market leaders but a rash of special situations provided the features of the stock market. Honeywell, $2 off at $135⅜, failed to excite the market with a forecast of higher sales and profits. IBM slipped $⅛ to $124½.

The $1.2bn write-offs for plant closures at U.S. Steel, the nation's largest steel company, put $¼ on the stock price at $30⅛, but investors are waiting to see signs of an improvement in the industry before moving into the steel stocks.

LTV, hoping for news early in the new year on the proposed merger with Republic Steel, gained $⅜ to $18⅞.

Heavy turnover was again recorded in the AT&T issues as the deadline for the break-up of the Bell system draws near. The new AT&T stock eased $¼ to $17½ on turnover of 1.8m shares and the old, where bargains will now not be paid for until mid-January, dipped $⅛ to $60⅛.

With the exception of the AT&T issues, the most active stock was Getty Oil, as Pennzoil's $1.6bn offer for 16m shares – 20 per cent of the equity – got under way.

Getty stock was active, with the share price climbing during the session to end $19⅝ higher at $100, level with the price offered by Pennzoil after turnover of 1.6m shares.

Superior Oil, another family oil company with bid prospects behind the stock price, added $⅝ to $36¼ with more than 300,000 shares traded.

Among the oil majors, Standard Indiana, once rumored as a possible bidder for Getty, jumped $1¼ to $50 as investors were evidently pleased to see the prospect of such a move eliminated. Exxon at $37⅞ also bucked the market trend with a gain of $¼.

In the bond market, turnover remained very thin while the professional traders waited for the day's auction of $5.2bn in seven-year Treasury notes. This will be followed today by a further $3.75bn tranche of 20-year bonds.

The key long bond, the 12 per cent of 2013, dipped 16/32 to 101 5/32, yielding 11.87 per cent.

The three-month Treasury bills added seven basis points to a 8.98 per cent discount and the six-month bills three basis points to 9.14 per cent. The Fed helped short-term liquidity by buying $550m in treasury bills.

EUROPE

Frankfurt moves to the fore

DEMAND swelled in **Frankfurt** yesterday on a widely felt but uncertainly defined surge of optimism and pushed the Commerzbank market indicator 10.9 points ahead to a record 1,044 and its FAZ counterpart 2.46 up at 351.71, also a peak.

The belief that worldwide interest rates are set to come down, coupled with hopeful signs for the domestic economy, brought a flurry of predominantly foreign buying and heavy volume for the time of year.

Dealers reported both private and institutional demand, pointing to an economic institute's forecast of up to 3 per cent growth for 1984 as one reason for the resurgence of confidence.

Chemicals, which have led the recent rally, continued to draw investor interest. Bayer added DM 3 to DM 174. BASF was DM 2.80 higher at DM 174.70 and Hoechst rose DM 3 to DM 182.80.

Deutsche led the advance in banks, gaining DM 3.50 to DM 339.50. Commerzbank ended DM 1.40 higher at DM 171.40 and Dresdner rose DM 2.40 to DM 173.40.

Volkswagen's announcement of higher prices drew particular attention in motor industry stocks and a gain of DM 4 to DM 220. Daimler added DM 2 to DM 651 and BMW edged 50 pfg ahead to DM 427.50.

Siemens headed higher electricals with an advance of DM 2.40 to DM 384.40. Brown Boveri was DM 1.30 higher at DM 227.80 and PKI DM 1 up at DM 331.

Plans for product rationalisation with Krupp took Klöckner DM 2.50 higher at DM 46.50. Stores were also firmer but insurance group Allianz, still locked in a takeover battle for Eagle Star of the UK, eased DM 1 to DM 808.

Domestic bonds closed sharply higher and the Bundesbank was able to sell DM 75.8m of public paper in the rising market.

Sentiment remained optimistic in **Amsterdam**, with three key bourse indices breaking the records set on Tuesday. But prices turned mixed, some shares succumbing to profit-taking while others hit highs for the year.

In internationals, Akzo extended opening gains to Fl 1.90 at Fl 99.5 but Hoogovens, after opening at a 1983 high, slipped back to Fl 47.80 for a gain of 40 cents.

HBG led the constructions sector with a Fl 4.80 rise to Fl 100.80. Boskalis was 10 cents up at Fl 44.60 but Volker Stevin shed Fl 1.10 to Fl 35.50.

Late improvers included Océ-Van der Grinten, Fl 7 ahead at Fl 247, and NMB in banks, Fl 5.50 higher at Fl 150.50.

A positive response to Wall Street's overnight performance brought moderate gains in **Paris**. A Government tax concession to net buyers of shares over the year further boosted investor activity.

Poliet fell FFr 14 to FFr 325 in generally lower constructions while mixed stores were led by Printemps, FFr 2.90 ahead at FFr 138.90.

Electricals and metals proved steady with Moulinex FFr 2.6 ahead at FFr 108.50 and Creusot-Loire putting on FFr 1.3 to FFr 43.8.

Oils advanced, Esso adding FFr 9 to FFr 494.

Lacklustre trading and thin volume took prices down in what dealers believe will prove only a temporary setback for **Brussels**. Utilities were weak and holding companies mixed to depressed, but chemicals and non-ferrous metals continued to perform well.

Bruxelles Lambert gained BFr 15 to BFr 2,380 and Cobepa BFr 25 to BFr 3,070. Societe Generale jumped BFr 165 to BFr 1,865 but Sofina was unchanged at BFr 5,450.

A series of bouyant session ended in **Milan** yesterday, with widespread losses and a fall in volume. The downturn was blamed by brokers on profit-taking and hesitancy ahead of the afternoon's cabinet meeting to decide on new fiscal measures to curb the public debt. Among industrial majors, Fiat lost L19 to L3,360 and Montedison L3 to L220. Italcementi shed L1,200 to L37,600 and Snia Viscosa L11 to L1,277.

Industrials eased on profit-taking towards the close in **Zurich**, but most banks, insurance groups and financials were again higher in fairly active trading.

Union Bank put on SwFr 40 to SwFr 3,590 but Ciba-Geigy lost SwFr 35 to close at SwFr 2,440.

Prices fell slightly over a broad front in **Madrid**, with the chemicals sector alone showing some improvement.

An undercurrent of selling as investors sought short-term losses to set against long-term capital gains at the end of the tax year took prices lower in a dull **Stockholm** market.

TOKYO

New Year optimism prevails

STRONG buying which had continued for several days previously subsided slightly in Tokyo yesterday, but share prices advanced, with the Nikkei-Dow Jones average closing the year at an all-time high, *writes Shigeo Nishiwaki of Jiji Press.*

In the half-day final session of the year, expectations of higher prices in the new year were mixed with fears that unfavourable portents for the year may crop up during the market holiday.

The 225-issue market indicator temporarily slipped below the preceding day's level, but rallied toward the close, ending 9.88 higher at 9,893.82. The average thus netted a large 23.3 per cent increase during the year.

Gains outnumbered losses 396 to 285 yesterday, with 156 issues unchanged. Transactions totalled 379.95m shares compared with 571m the previous day.

Investors continued to buy stocks on the strength of Japan's business recovery and the settlement of the political turmoil brought about by the setback for the Liberal-Democratic Party in the December 18 general election. Nevertheless, some securities dealers unloaded their holdings.

Nippon Steel drew both buy and sell orders from overseas in lots of 1m shares, but its price ended unchanged at Y175.

Electric power issues were also bought, with Hokkaido Electric Power advancing Y80 to Y1,000 and Shikoku Electric Power Y70 to Y1,120. Tokyo Gas also added Y7 to Y162.

Mitsubishi Heavy Industries attracted continued foreign buying and massive buy orders in anticipation of an improved business performance, rising Y3 to Y275.

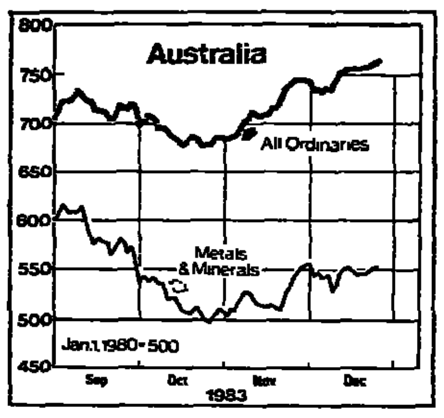
As for blue chips, Matsushita Electric Industrial shot up to an all-time high of Y1,990, but finished slightly down at Y1,980, up Y10, due to later small-lot selling. NEC gained Y20 to Y1,460, Toyota Motor Y10 to Y1,500, Honda Motor Y10 to Y1,110 and Canon Y20 to Y1,570.

Fuji Photo lost Y30 to Y2,000, though, and Ricoh Y20 to Y1,120.

Issues with latent assets remained investor targets, with Nippon Express and Tokio Marine and Fire registering yearly highs of Y319, up Y5, and Y558, up Y3.

On the bond market, which also closed for the year yesterday to reopen on January 4, financial institutions, such as city, regional and trust banks, purchased bonds in fairly large lots, expecting a drop in interest rates next year.

As a result, the yield on the benchmark 7.5 per cent government bonds maturing in January 1993 plunged from the preceding day's 7.39 per cent to the year's low of 7.365 per cent.



AUSTRALIA

A FEW keen buyers, encouraged by Wall Street's strength, pushed leading indicators to new highs in Sydney yesterday. Leading dealers preferred to maintain their positions, though, and volume was light.

Oil and gas issues led the advance, with Weeks Petroleum ahead 20 cents to A$5.40, Vamgas 10 cents to A$3.60 and Santos 6 cents to A$7.90. Most industrials also firmed, while among mixed minings, BHP gained 10 cents to A$14.00.

A bright spot in generally dull golds was Niugini Mining, 7 cents up at A$2.05.

The all ordinaries index gained 3.1 to 765.6.

HONG KONG

SHORT covering and the pursuit of bargains ahead of an expected new-year gain in prices took the Hang Seng index 6.85 points ahead to 874.15 in yesterday's half-day session.

Most leading shares made small gains in moderate activity. Among properties, Hongkong Land put on 5 cents to HK$2.90 and Cheung Kong added 10 cents to HK$7.25.

Hongkong Bank was unchanged at HK$7.00, but China Light advanced 20 cents to HK$12.00 and Hongkong Telephone rose 25 cents to HK$34.00.

CANADA

A SLOW post-Christmas return left **Toronto** moving within a narrow range for much of the day, with signs of weakness among golds but strength in the base metals side.

Montreal displayed a similar inability to establish a clear direction, although a form tone was maintained.

LONDON

Relaxed but resilient return

POST-CHRISTMAS trading in London started slowly with attendance much thinner than usual. Government stocks featured the relaxed proceedings, resuming their upward momentum on interest rate hopes, while equities retained a firm undertone.

Sentiment in gilts was given a further fillip by sterling's fresh improvement against the dollar. Gains extended to a half.

Leading industrial shares drifted slightly lower initially but a late rally ensued and the mood remained optimistic. The FT Industrial Ordinary index recovered to show a gain of 0.6 by the close at 775.6. The FT-Actuaries All-Share index reached a record 470.01.

Features were few and far between. Those stocks included, or rumoured to be mentioned, in brokers' new year recommendation lists claimed the lion's share of the interest.

Irish oil exploration issues were fairly active and South African gold shares showed widespread gains.

Details, Page 17; Share information service, Pages 18–19

SINGAPORE

GOVERNMENT forecasts of improved national economic growth in the coming year buoyed sentiment in a moderately active Singapore market yesterday. Rubber stocks were firm, banks steady but industrials mixed.

Foreign interest made Chuan Hup Marine the most active share, with 1.23m units traded and a gain of 10 cents to S$2.14.

Among rubbers, Consolidated Plantations and Kulim each gained 6 cents, to S$3.32 and S$3.18.

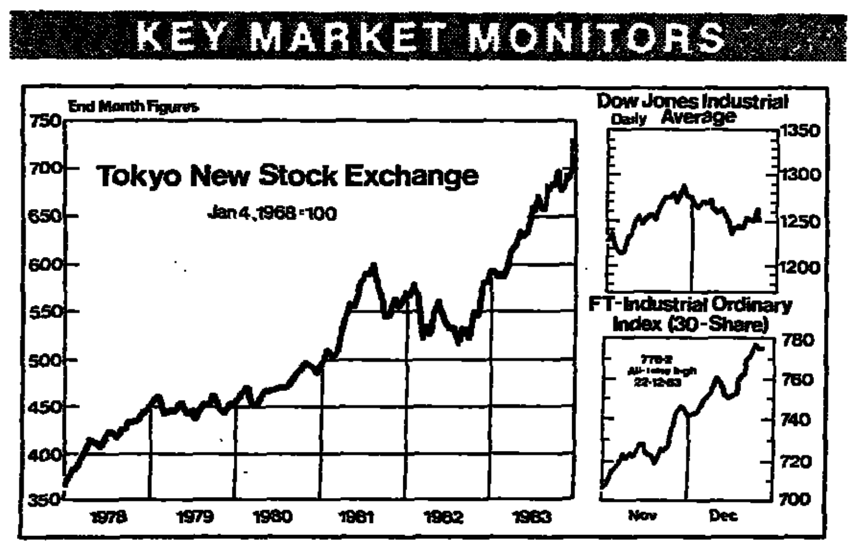
SOUTH AFRICA

ACTIVITY was lively in Johannesburg with London demand strong for leading golds, providing Buffels with a R1.50 gain at R69.50. Industrials meanwhile remained unruffled by a Christmas round of prime rate rises.

Of the mining financials Amgold added R2.50 to R135.50 and Gold Fields of SA R1.50 to R26.25. De Beers held at R9.05 while Rustenburg Platinum slipped 20 cents to R13.20.

On the industrial boards Tongaat Huletts jumped 35 cents to R10.95 and SA Breweries 40 cents to R8.

KEY MARKET MONITORS



STOCK MARKET INDICES

	Dec 28	Previous	Year ago
NEW YORK			
DJ Industrials	1263.21	1263.72	1058.87
DJ Transport	588.26	588.47	450.21
DJ Utilities	132.66	131.98	119.05
S&P Composite	164.61	164.76	140.77
LONDON			
FT Ind Ord	775.6	775.0	593.7
FT-A All-share	470.01	469.24	381.54
FT-A 500	501.66	500.56	421 61
FT-A Ind	462.39	462.28	395.48
FT Gold mines	594.0	582.40	552.9
FT Govt secs	83.37	83.15	81.79
TOKYO			
Nikkei-Dow	9893.82	9883.94	8016.67
Tokyo SE	731.82	728.7	593.72
AUSTRALIA			
All Ord.	765.60	762.50	479.70
Metals & Mins.	552.50	551.40	402.0
AUSTRIA			
Credit Aktien	56.11	56.02	50.72
BELGIUM			
Belgian SE	136.34	136.77	101.12
CANADA			
Toronto Composite	2542.7	2536.9	1909.80
Montreal Industrials	442.66	441.97	321.74
Combined	426.15	425.23	316.51
DENMARK			
Copenhagen.SE	210.34	n/a	96.41
FRANCE			
CAC Gen	155.50	154.20	99.70
Ind. Tendance	167.00	166.00	120.50
WEST GERMANY			
FAZ-Aktien	351.71	349.25	252.24
Commerzbank	1044.00	1033.10	761.50
HONG KONG			
Hang Seng	874.15	867.3	780.90
ITALY			
Banca Comm.	191.07	192.02	166.40
NETHERLANDS			
ANP-CBS Gen	153.30	151.9	101.10
ANP-CBS Ind	127.70	126.7	84.20
NORWAY			
Oslo SE	221.57	223.37	95.82
SINGAPORE			
Straits Times	987.39	987 98	731.56
SOUTH AFRICA			
Golds	877.5	858.1	951.4
Industrials	956.5	944.0	735.3.
SPAIN			
Madrid SE	115.62	116 13	100 04
SWEDEN			
J & P	1429.32	1432.95	889.89
SWITZERLAND			
Swiss Bank Ind	384.50	386.6	285.10
WORLD	Dec 27	Prev	Yr ago
Capital Int'l	182.70	181.0	155.3

GOLD (per ounce)

	Dec 28	Prev
London	$377.875	closed
Frankfurt	$378.00	n/a
Zürich	$378.00	$377.50
Paris (fixing)	$378 07	$378.47
Luxembourg (fixing)	$379.50	$380.50
New York (Dec)	$381.60	$380.70

* Indicated latest pre-close figure

CURRENCIES

(London)	U.S. DOLLAR Dec 28	U.S. DOLLAR Previous	STERLING Dec 28	STERLING Previous
$	–	–	1.4350	1.4330
DM	2.7515	2.7570	3.95	3.95
Yen	233.30	233.70	335	335
FFr	8.4200	8.4375	12.08	12.0850
SwFr	2.1875	2.1955	3.1425	3.1450
Guilder	3.0930	3.1025	4.44	4.4450
Lira	1672.50	1676	2399.50	2400
BFr	56.16	56.31	80.60	80.65
C$	1.24525	1.2460	1.7870	1.7840

INTEREST RATES

	Dec 28	Prev
Euro-currencies (offered rate)		
£	9⅝	9½
SwFr	4 1/16	4 7/16
DM	6 3/16	6 3/16
FFr	13½	14
FT London Interbank fixing (offered rate)		
3-month U.S.$	10⅛	10¼
6-month U.S.$	10 5/16	10⅜
U.S. Fed Funds	9¾†	9 7/16
U.S. 3-month CDs	9.65	9.80
U.S. 3-month T-bills	8.96†	8.91

U.S BONDS

Treasury	Dec 28 Price	Dec 28 Yield	Prev Price	Prev Yield
10⅞ 1985	100 3/32	10.81	100 4/32	10.79
11½ 1990	99	11.71	99 24/32	11.66
11.75 1993	99 25/32	11.78	100 6/32	11.72
12 2013	101 5/32	11.84	101 19/32	11.80
Corporate	**Dec 28**		**Prev**	
AT & T	Price	Yield	Price	Yield
10⅜ June 1990	93¼*	11.90*	92⅞	12.00
3⅞ July 1990	66⅝*	11.25*	66.619	11.25
8¾ May 2000	75⅛*	12.30*	75⅛	12.30
Xerox				
10⅝ March 1993	91½*	12.20*	91⅞	12.20
Diamond Shamrock				
10⅝ May 1993	90¾*	12.40*	89½	12.55
Federated Dept Stores				
10⅜ May 2013	85¾*	12.45*	86.417	12.35
Abbot Lab				
11.80 Feb 2013	94.90*	12.45*	95.647	12.35
Alcoa				
12¼ Dec 2012	94.724*	12.95*	95.085	12.90

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT)				
8% 32nds of 100%				
March	70–00	70–10	69–97	70–13
U.S. Treasury Bills (IMM)				
$1m points of 100%				
March	90.75	90.78	90.71	90.79
Certificates of Deposit (IMM)				
$1m points of 100%				
December	90.27	90.27	90.20	90.30
LONDON				
Three-month Eurodollar				
$1m points of 100%				
March	89.91	89.99	89.89	89.82
20-year Notional Gilt				
£50,000 32nds of 100%				
December	110–25	110–02	110–25	110–18

COMMODITIES

(London)	Dec. 28	Prev
Silver (spot fixing)	612.90p	617.85p
Copper (cash)	£976.00	£979.50
Coffee (Jan)	£2004.00	£2027.30
Oil (spot Arabian light)	$28.37	$28.15

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls. 100s	High	Low	Close Quote	Ch'ge Prev. Close
17¾	8⅝	AAR	.44	2.5	21	190	17	16⅝	17	−½
52⅞	30½	ACF	1.40	2.8	235	125	49⅝	49¼	49½	−½
22	18¼	AMCA	n			17	22	21⅝	21⅝	−⅛
18⅞	14¼	AMF	.50	3.1		711	16⅝	16	16⅛	
39⅛	18½	AMR Cp			16	2067	35¼	35⅛	35⅝	−¼
19½	15	AMR	pf2.18	12.		20	18¼	18⅝	18¾	+⅛
43¼	24⅝	AMR	pf2.13	5.7		424	37⅝	37¼	37⅜	−⅛
16¼	3⅞	APL			21	62	14⅝	14½	14½	−⅛
55⅛	33¾	ARA	2.05	4.1	11	205	50⅝	50	50⅛	+⅛
79⅝	50¼	ASA	3a	5.4		151	55⅝	55¼	55⅜	+⅛
35¼	14	AVX	s .32	1.2	41	57	27½	26¾	26⅞	−½
53⅛	36⅝	AbtLab	1	2.2	17	1235	45¼	44⅞	44⅞	−⅛
30⅛	23⅝	AccoW	n .60	2.2	20	412	26⅞	26⅝	26⅞	+⅛
27½	17⅞	AcmeC	.40	1.6		21	25⅛	24⅞	24⅞	−⅛
14⅛	7⅜	AcmeE	.32b	2.9	556	6	11⅛	11	11⅛	+⅛
24⅞	8⅛	AdmDg	.04	.2	14	91	18¼	17⅞	17⅞	−1
18⅝	15	AdaEx	1.73e	9.8		74	17⅞	17½	17⅝	−⅛
19¼	7⅛	AdmMl	.24	1.5	8	37	16¼	15¾	16¼	+⅛
18⅝	8⅛	Advest	.12	1.1	7	135	11⅛	11⅛	11⅛	−⅛
35½	12⅛	AMD	s		58	556	33⅛	32½	32¾	−⅛
24⅝	13⅛	Aeflx	s		17	14	16½	16⅝	16⅝	−⅛
43½	32⅝	AetnLf	2.64	7.4	9	1051	35⅞	35½	35⅝	+⅛
65	55⅛	AetL	pf5.09e	8.9		245	57	56¾	57	
40½	22½	Ahmns	1.20	3.9	8	418	30½	30¼	30½	−⅛

Continued on Page 15

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued on Page 16

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 14

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close	Ch'ge
29¼	14⅛	WolvW	48	3 1	9	148	15½	15¼	15¼	
43⅞	24¼	Womelc	44	1 0	27	9	43¾	43¼	43¾	−⅛
29½	18¾	WoodPt	60	2 5	17	449	24	23	23⅞	+⅞
38⅞	22⅝	Wolwth	1 80	5 1	10	463	35½	34¾	35	−⅛
54⅛	32	Wolw	pf2 20	4 4		2	50	49½	49½	−1½
7⅛	2⅛	WrldAr				19	4⅞	4½	4⅞	+⅛
56¼	38⅞	Wrigly	1 44a	2 7	10	55	54	53	53	−1
8⅞	3⅞	Wurlzr				17	8⅞	8½	8½	−⅛
24⅞	6⅝	WyleLb	24	1 0	33	175	u24½	24	24¼	+¼
17⅞	9	Wyly				179	10½	10¼	10⅜	
22⅞	14	Wynns	60	3 1	17	76	19½	19⅝	19⅝	−⅛

Continued on Page 16

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a—dividend also extra(s). b—annual rate of dividend plus stock dividend. c—liquidating dividend. cld—called. d—new yearly low. e—dividend declared or paid in preceding 12 months. g—dividend in Canadian funds, subject to 15% non-residence tax. i—dividend declared after split-up or stock dividend. j—dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k—dividend declared or paid this year, an accumulative issue with dividends in arrears. n—new issue in the past 52 weeks. The high-low range begins with the start of trading. nd—next day delivery. P/E—price-earnings ratio. r—dividend declared or paid in preceding 12 months, plus stock dividend. s—stock split. Dividends begins with date of split. sls—sales. t—dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u—new yearly high. v—trading halted. vi—in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd—when distributed. wi—when issued. ww—with warrants. x—ex-dividend or ex-rights. xdis—ex-distribution. xw—without warrants. y—ex-dividend and sales in full. yld—yield. z—sales in full.

WORLD STOCK MARKETS

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 15

[illegible]

NEW YORK CLOSING PRICES

Continued from Page 15

[illegible]

CANADA

(Closing Prices) Stock	Dec 28	Vam
AMCA Intl.	26½	-1/8
Abitibi	24	-1⅛
Agnico Eagle	17	-1/4
Alberta Energy	18¼	-1/8
Alcan Alumin	49⅞	-1¼
Algoma Steel	28¼	-
Asbestos	10¼	-
Bk Montreal	27½	-
Bk Nova Scotia	42⅝	-1/8
Bell Canada	33⅝	+½
Bombardier A	13	-
Bow Valley	25½	-½
B P Canada	-	-
Brascan A	39¼	-⅞
Brinco	2.9	-0.03
B. C. Forest	13⅝	+1/4
CIL Inc	30	-
Cadillac Fairv	19⅜	-
Can Cement	-	-
Can NW Energy	29⅛	-3/8
Can Packers	29¼	-1/4
Can Trustco	46	-3/4
Can Imp Bank	30½	-
Canadian Pacific	50⅝	+½
Can. P. Ent	24⅞	-
Can Tyre A	13⅝	-3/8
Carling O'Kfe	22½	-1/8
Costain	16¼	-3/8
Cominco	59⅝	-3/8
Cons Bathst A	25¾	-
Coseka Resources	4.05	-0.15
Costain	5⅞	-1/4
Denison Mines	45⅞	-
Dofasco	59¼	-1/4
Dome Mines	17½	-1/8
Dome Petroleum	4.05	-0.2
Dominion Strs.	19½	-3/8
Domtar	30⅜	-½
Falconbridge	70½	-½
Genstar	30⅜	-
Giant Y'knife	23¼	-
Gt West Life	-	-
Gulf Canada	17⅛	-5/8
Hawk Sid Can	18½	-1/8
Hudson's Bay	24½	-
Husky Oil	10⅝	-1/8
Imasco	35⅛	-1/4
Imp Oil A	35¾	-1/4
Inco	18⅞	-1/8
Indal	13	-3/8
Interpr Ppe	33¾	-1/8
LAC Minerals	-	-
Macmil Bloedel	29¼	-1/8
Marks & Spencer	15½	-1/4
Massey Ferg	5¾	-1/8
McIntyre Mines	35½	-
Mitel	17½	-1/8
Moore Corp	53¼	-
Nat. Sea Prods A	7⅛	+1/8
Noranda Mines	26⅝	-1/8
Numac Oil	13	+1/8
Nova Alberta	7	-1/8
Nthn Telecom	49	-1½
Oakwood Pet	3⅞	-½
Pancanadian Pet	24¾	+1/4
Patino	10	-
Placer Devt	24	-
Power Corp Can	19¼	-
Quebec Sturgeon	7⅜	-
Ranger Oil	14⅜	-
Reed Stenhse A	12¼	-1/4
Rio Algom	19	-3/4
Royal Bank	34	-1/8
Royal Trustco A	23	-1/4
Sceptre Res	5⅛	-1/8
Seagram	45⅜	-3/4
Simpson Sears A	-	-
Shell Can Oil	22¼	-
Stelco	30	-1/4
Tech B	11⅞	-1/8
Texaco (Canada)	40¾	+½
Thomson News A	25¾	+1/4
Toronto Dom Bank	16⅜	+1/8
Transalta A	20¾	-1/4
Trans. Can. Ppe	31⅛	-
Walker Hiram	28	-½
Westcoast Trans	15⅛	+1/8
Weston (Geo)	63½	-

AUSTRIA

Dec. 28	Price Sch.%	+ or —
Creditanstalt	212	—1
Goesser	323	-3
Interunfall	410	...
Landerbank	214	+1
Perlmooser	514	-5
Steyr Daimler	164	...
Veitscher Mag.	209	+2

BELGIUM/LUXEMBOURG

Dec. 28	Price Frs.	+ or —
ARBED	1,238	+16
Banq Int A Lux.	4,900	-50
Bekaert B.	3,590	—10
Ciment BR.	2,100	-20
Cockerill	179	—4
Delhaize	4,950	—45
EBES	2,500	—10
Electrobel.	6,350	—40
Fabrique Nat.	2,300	-100
GB Inno BM	3,330	...
GBL (Brux)	2,380	-15
Gevaert	3,000	...
Hoboken	5,390	-50
Intercom	1,300xr	—10
Kredietbank	6,300	...
Pan Hldgs.	9,020	...
Petrofina	5,990	...
Royale Belge	7,200	...
Soc. Gen. Banq	3,010	....
Soc. Gen. Belge	1,865	+165
Sofina	5,540	...
Solvay	3,515	...
Tractionel	3,400	—45
UCB.	4,480	+80
Vieille Mont	3,780	-140

DENMARK

Dec. 28	Price Kr.%	+ or —
Aarhus Olie	442	+2
Andelsbanken	337	-6
Baltica Skand	639	+17
CopHandelsbank	323	-6
D. Sukkerfab	685	-14
Danske Bank	357	+10
East Asiatic	178	—1
Forende Brygg	1,230	
Forende Damp	194	—3
GNT Hldg.	695	+25
I.S.S.B.	695	
Jyske Bank	675	
Novo Ind	2,920	
Privatbanken	357	+12
Provinsbanken	334	+7
Smidth (Fl)	300	......
Sophus Berend	1,055	...
Superfos	509	+2

FRANCE

Dec. 28	Price Frs.	+ or —
Emprunt 4½% 1973	1,829.8	—35.2
Emprunt 7% 1973	9,615	—40
CNE 3%	3,105	+6
Air Liquide	532	+7
BIC	413xc	+10
Bouygues	701	+6
BSN Gervais	2,640	......
CIT-Alcatel	1,322	—8
Carrefour	1,375	+6
Club Mediter'n	771	+13
CFAO	568	+8
Cie Bancaire	453	+3
Cofimeg	197.1	+2.1
Creusot Loire	43.8	+1.3
Darty	779	—1
Dumez	852	...
Eaux (Cie Gen)	546	—2
Elf-Aquitaine	164.9	+3.4
Gen. Occidental	690	+5
Imetal	60.2	—0.7
Lafarge Coppee	283.2	+1.8
L'oreal	2,182	—8
Legrand	1,905	—7
Maisons Phenix	321	+5
Matra	1,289	+14
Michelin B.	793	—6
Midi (Cie)	1,420	—10
Moet-Hennesey	1,394	—6
Moulinex	108.5	+2.6
Nord Est	48	—0.2
Pernod Ricard	770	+6
Perrier	457	—3.5
Petroles BP	161.8	+1.8
Peugeot-SA	208	+5
Poclain	54.9	+0.4
Printemps Au	138.9	+2.9
Radiotech	415	+3
Redoute	1001	—39
Roussel-Uclaf.	*698*	*—10*
Schneider	86.7	—2.8
Sefimeg	268	—3
Skis Rossignol	1,350	+40
Telemech Elect.	1,390	—10
Thompson (CSF)	214.8	+7
Valeo	296.8	+2.8

GERMANY

Dec. 28	Price Dm.	+ or —
AEG-Telef	81.2	+0.2
Allianz Vers.	808	—1
BASF	174.7	+2.8
Bayer	174	+3
Bayer-Hypo	284	+9.8
Bayer-Verein	328.9	+2.9
BHF-Bank	281.5	+2.5
BMW	427.5	+0.5
Brown Boveri	227.8	+1.3
Commerzbank	171.4	+1.4
Conti Gummi	121.9	+2.4
Daimler Benz	651xr	+2
Degussa	380	+4
Demag	145	.....
D'sche Babcock	169.5	+1.7
Deutsche Bank	339.5	+3.5
Dresdner Bank	173.4	+2.4
GHH	155.5	—1.5
Hochtief	495.5	+10.5
Hoechst	182.8	+3
Hoesch Werke	110.5	+0.5
Holzmann (P)	440	+3
Horten	185	+3.5
Kali und Salz	205	...
Karstadt	281	+2
Kaufhof	270	+1.2
KHD	260	+0.5
Kloeckner	46.5	+2.5
Krupp	66	+2
Linde	383.5	—1.5
Lufthansa	148.5	—0.5
MAN	139.5	+1.5
Mannesmann	143	+3
Mercedes Hld.	567.5	—0.5
Metallgesell	219	+6
Mueuch Rueck	1,180	—519
Preussag	275	......
Rhein West Elect	179.7	+1.2
Rosenthal	294	+8
Schering	373	+1.2
Siemens	384.4	+2.4
Thyssen	86	+2
Varta	175.5	—0.4
Veba	168.2	+2.2
V.E.W.	120.8	+1.8
Verein-West	310	...
Volkswagen	220	+4

ITALY

Dec. 28	Price Lire	+ or —
Banca Com'le	26,700	...
Bastogi IRBS	129	—3
Centrale	1,135	—19
Credito Varesino	3,790	—60
Fiat	3,360	—19
Finsider	48	+1
Generale (Assic.)	135,500	—500
Invest	3,040	—28
Italcementi	37,600	—1200
Montedison	220	—3
Olivetti	3,875	—10
Pirelli Co	2,720	—30
Pirelli Spa	1,462	—9
Snia BPD	1,277	—11
Toro Assic.	12,550	—390
do. Pref.	8,499	—221

NETHERLANDS

Dec. 28	Price Fls.	+ or —
ACF Holding	184.5	
Aegon	120	—0.7
Ahold	196.5	—2.5
AKZO	99.5	+1.9
ABN	377	+1
AMEV	166.8	+0.3
AMRO	61.3	+0.8
Bredero Cert	191	+1.5
Boskalis Westm.	44.6	+0.1
Buhrmann-Tet.	60.5	+0.3
Caland Hldgs	34.5	—0.5
Credit Lyon'is Bk	57.5	+5.5
Elsevier-NDU nv.	505	—2
Gist. Brocades	165.5	+1
Heineken	131.8	—1.2
Hoogovens	47.8	+0.4
Hunter Douglas	21.5	+0.9
Int-Muller	34.7	+0.7
KLM	189.5	—2.3
Naarden Intl.	43	+2.3
Nat Ned Cert	198	—2
Ned. Credit Bank	38.5	+0.6
Ned Mid Bank	180.5	+5.5
Nedlloyd.	108.1	—0.4
Oce Grinten	247	+7
Ommeren (Van)	29	—0.7
Pakhoed	55	+0.1
Philips	45.1	......
Rijn-Schelde	4	+0.2
Robeco	333.5	+2.5
Rodamco	130	+0.1
Rolinco	320.9	+1.9
Rorento	200	+0.2
Royal Dutch	134.5	+0.2
Unilever	253.7	+1.5
VMF Stork	101.5	+3.5
VNU	131	—3.3
West Utr Bank	119.5	—1

NORWAY

Dec. 28	Price Kroner	+ or —
Bergens Bank	151	+1
Borregaard	200	—2.5
Christiania Bk.	146	..
Den Norsk Credit	159	+1.5
Elkem	126	—6
Norsk Data	280	+2.5
Norsk Hydro	499	+9
Storebrand	192.5	+2.5

SPAIN

Dec. 28	Price Pts%	+ or —
Bco Bilbao	251	......
Bco Central	258	—1
Bco Exterior	192	—1
Bco Hispano	202	...
Bco Santander	258	...
Bco Vizcaya	312	—1
Dragados	106	...
Hidrola	42.5	—0.2
Iberduero	42	—0.2
Petroleos	96	+1
Telefonica	75	......

SWEDEN

Dec. 28	Price Kronor	+ or —
AGA	320	—10
Alfa-Laval	270	...
ASEA (Free)	420	+5
Astra (Free)	580	—5
Atlas Copco	114	......
Boliden	364	+2
Cardo	350	—2
Cellulosa (Free)	163	+1
Electrolux B	241	.....
Ericsson	391	—2
Esselte (Free)	275	......
Mo Och Domsjo	395	—7
Pharmacia (Free)	316	—9
Saab Skania	282	—1
Sandvik B (Free)	288	+3
Skandia	460	......
Skan Enskilda	302	—1
SKF B	159	—3
St. Kopparberg	660	—10
Sven Handelsbn	207	+1
Swedish Match	260	—4
Volvo B (Free)	430	—5

SWITZERLAND

Dec. 28	Price Frs.	+ or —
Alusuisse	890	—10
Bank Leu	4,330	—20
Brown Boveri	1,420	....
Ciba Geigy	2,440	—35
do. (Part Certs)	1,940	—25
Credit Suisse	2,295	—5
Elektrowatt	2,800	—25
Fischer (Geo.)	645	—15
Genevoise	3,900	.....
Hoff-RochePtCts	103,600	—375
Hoff-Roche 1/10	10,325	—75
Jacobs Suchard	6,600	—25
Jelmoli	1,975	—10
Landis & Gyr	1,580	...
Nestle	4,990	—35
Oer-Buehrle	1,410	+10
Pirelli	260	...
Sandoz (Br)	7,400	+50
Sandoz (PtCts)	1,160	—10
Schindler (PtCts)	465	—6
Swissair	1000	+5
Swiss Bank	324	...
Swiss Reinsce	8,225	—25
Swiss Volksbk	1,470	+5
Union Bank	3,590	+40
Winterthur	3,275	.....
Zurich Ins	19,075	—25

AUSTRALIA

Dec. 28	Price Aust. $	+ or —
ANZ Group	5.9	+0.02
Acrow Aust.	1.45	.....
Alliance Oil D.	0.6	......
Ampol Pet.	1.8	......
Aust Cons Ind.	1.88	......
Aust. Guarant.	2.9	......
Aust. Nat. Inds.	2.67	....
Aust. Paper	2.35	+0.02
Bond Hldgs.	1.35	..
Boral	3.4	+0.02
B'ville Copper	2.5	-0.02
Brambles Inds.	3.32	+0.02
Bnd. o Oil	3.3	+0.05
BHP	14	+0.1
CRA	5.22	+0.02
CSR	4.02	+0.03
Carlton & Utd.	3.83	—0.02
Castlemaine	5.3	...
Coles (G.J.)	3.9	...
Comalco	3	...
Consolidated Pet	0.64	...
Costain	1.35	+0.02
Dunlop	1.75	+0.03
E.Z. Ind.	6.32	..
Elders IXL	4.35	+0.02
Energy Res.	1.75	..
Gen Prop Trust	2.13	+0.01
Hardie (J.)	3.9	+0.01
Hartogen Energy	2.5	......
Herald W'y Times	3.25	..
ICI Aust.	2.4	+0.05
Jimb'lana (50cFP)	0.32	+0.02
Kia Ora Gold	0.16	...
Lend Lease	4.9	+0.1
MIM	3.88	+0.05
Mayne Nickless	2.9	....
Meekatharra	1.2	..
Myer Emp.	2	—0.05
Nat.Com.Bk.	3.74	—0.04
News	9.9	—0.1
Nicholas Kiwi	3.2	...
North Bkn Hill	3.16	..
Oakbridge	1.1	—0.03
Otter Expl.	0.55	..
Pancon	1.15	..
Pioneer Conc	1.99	+0.04
Reckitt & Coln	2.65	.....
Repco	1.29	..
Santos	7.9	+0.06
Smith (H.)	4.35	+0.15
Southland Min'g.	0.26	—0.04
Spargos Expl.	0.42	..
Thos. Natwide	2.3	+0.02
Tooth	5.0	......
UMAL Cons.	3.5	..
Vamgas	3.6	+0.1
Western Mining	4.36	+0.1
Westpac	3.96	+0.08
Woodside Petrol.	1.17	+0.02
Woolworths	2.74	+0.02
Wormald Intl	3.1	...

HONG KONG

Dec. 28	Price H.K.$	+ or —
Bank East Asia	19.4	+0.1
Carrian Invest.	0.87	...
Cheung Kong	7.25	+0.1
China Light	12	+0.2
Hang Lung Devel.	1.47	......
Hang Seng Bank	38	+0.25
HK Electric	5.5	+0.05
HK Kowloon Wh.	3.65	..
HK Land	2.9	+0.05
HK Shanghai Bk.	7	
HK Telephone	34	+0.25
Hutchison Wpa.	14.8	+0.3
Jardine Math	11.3	+0.1
New World Dev.	2.62	.....
Orient O'seas	2.6	..
O'seas Trust Bk.	2.8	+0.1
SKH Props.	4.82	+0.07
Swire Pac A.	14	...
Wheel'k Mard A.	2.97	+0.05
Wheel'k M'time	1.78	....
World Int. Holdgs	1.52	..

JAPAN

Dec. 28	Price Yen	+ or —
Ajinomoto	1,120	+20
Alps Electric	2,600	—10
Amada	1,040	+10
Asahi Chem	437	+7
Asahi Glass	729	+4
Bridgeston	641	+7
Canon	1,570	+20
Casio Comp.	1,490	+10
Chugai Pharm	873	—12
Citizen	683	+4
Daiei	655	+2
Dai Nippon Ptg	910	+6
Daiwa House	606	—13
Ebara	330	—1
Eisai	1,270	—20
Fanuc	10,000	+100
Fuji Bank	600	......
Fuji Film	2,000	—30
Fujisawa	865	—6
Fujitsu	1,320	......
Green Cross	1,460	—30
Hasegawa	411	+5
Heiwa Real Est.	615	+10
Hitachi	826	—7
Hitachi Credit	1,300	..
Honda	1,110	+10
House Food	*835*	*—11*
Hoya	1,590	+10
Itoh (C)	309	+9
Ito-Yokado	1,780	+30
Iwatsu	2,200	+10
JACCS	841	+18
JAL	2,400	—70
Jusco	815	—4
Kajima	330	....
Kao Soap	683	—1
Kashiyama	680	+10
Kirin	529	—11
Kokuyo	896	+2
Komatsu	543	+8

JAPAN (continued)

Dec. 28	Price Yen	+ or —
Konishiroku	680	+5
Kubota	313	+2
Kumagia	*452*	*+5*
Kyoto Ceramic	9,450	+50
Maeda Const	508	+8
Makino Milling	1,440	+10
Makita	1,200	...
Marubeni	280	..
Marudai	648	+3
Marui	1,270	+20
MEI	1,983	+10
M'ta Elec Works	646	—6
M'bishi Bank	500	...
M'bishi Corp	543	—2
M'bishi Elec	427	—3
M'bishi Estate	490	..
MHI	275	+5
Mitsui Co.	357	..
Mitsui Estate	780	+21
Mitsukoshi	350	—3
NGK Insulators	898	—1
Nihon Cement	225	—1
Nippon Denso	1,700	+50
Nippon Elect	1,460	+20
Nippon Express	319	+6
Nippon Gakki	610	+2
Nippon Kokan	147	..
Nippon Oil	1,000	+10
Nippon Seiko	619	..
Nippon Shinpan	691	+4
Nippon Steel	175	..
Nippon Suisan	319	+4
NTV	6,990	+270
Nippon Yusen	257	+3
Nissan Motor	755	...
Nisshin Flour	420	+5
Nisshin Steel	178	......
Nomura	725	—6
Olympus	1,100	+10
Omron Tateisi	3,100	+40
Orient Leasing	2,320	..
Pioneer	3,740	—50
Renown	710	..
Ricoh	1,120	—20
Sankyo	697	+9
Sanyo Elect	599	+4
Sapporo	421	+2
Sekisui Prefab	822	+3
Seven Eleven	8,000	+210
Sharp	1,400	..
Shimadzu	528	+3
Shionogi	731	—22
Shiseido	1,010	...
Sony	3,860	+20
Stanley	801	+1
S'tomo Elect	888	+4
S'tomo Marine	249	..
S'tomo Metal	162	+2
Taihei Dengyo	563	..
Taisei Corp	223	—1
Taisho Pharm	898	—7
Takeda	721	—10
TDK	5,480	+80
Teijin	395	—2
Teikoku Oil	690	—7
Tokio Marine	558	+3
TBS	709	—13
Tokyo Elect Pwr.	1,190	
Tokyo Gas	163	+7
Tokyo Sanyo	671	—9
Tokyo Style	980	+72
Tokyu Corp	320	—8
Toppan Print	704	—1
Toray	425	+3
Toshiba	422	+6
TOTO	583	—3
Toyo Seikan	700	—5
Toyota Motor	1,500	+10
Victor	3,230	..
Wacoal	706	+1
Yamaha	472	+5
Yamanouchi	1,380	+10
Yamazaki	744	..
Yasuda Fire	241	—1
Yokogawa	422	+2

SINGAPORE

Dec. 28	Price $	+ or —
Boustead Bhd	2.9	+0.01
Cold Storage	5	.....
DBS	10	+0.05
Fraser & Neave	6.5	...
Genting	4.76	—0.04
Haw Par	2.26	—0.01
Inchcape Bhd	2.91	—0.03
Keppel Shipyard	3.54	+0.02
Malay Banking	9.3	+0.15
Malay Brew	6.8	..
Multi Purpose	2	+0.05
OCBC	11.1	—0.1
DUB	4.64	—0.02
Sime Darby	2.52	+0.04
Straits St'mship	1.87	—0.01
Straits Trdg.	5.9	—0.05
UOB	5.75	...

SOUTH AFRICA

Dec. 28	Price Rand	+ or —
Abercom	2.83	+0.05
AE & CI	8.8	+0.1
Anglo Am Coal	25.25	...
Anglo Am Corp.	19.80	...
Anglo Am Gold	135.5	+2.5
Barclays Bank	19.15	...
Barlow Rand	13.85	+0.6
Buffels	69.6	+1.5
CNA Gallo	2.6	+0.1
Currie Finance	4.4	..
De Beers	9.05	...
Driefontein	40	+0.5
FS Geduld	46	..
Gold Fields S.A.	26.25	+1.5
Highveld Steel	5.15	...
Nedbank	16.75	..
OK Bazaars	21	..
Protea Hldgs.	3.5	...
Rembrant	22.75	—0.25
Rennies	14.5	+0.25
Rustenburg	13.2	—0.2
Sage Hldgs	7.25	+0.45
SA Brews	8	+0.4
Smith (C.G)	24.25	...
Tongaat Hulette.	10.95	+0.35
Unisec	5.15	+0.05

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. ‡ Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

Indices

NEW YORK-DOW JONES

	Dec 28	Dec 27	Dec 26	Dec 23	Dec 22	Dec 21	1983 High	1983 Low	Since Compilat'n High	Since Compilat'n Low
Industrials	1263.21	1263.72	1250.51	1249.8	1253.66	1254.98	1287.2 (29/11)	174.39 (11/8)	1287.2 (28/11/83)	41.22 (2/7/32)
Transport	588.26	588.47	587.26	586.04	587.07	596.79	612.57 (22/11)	434.24 (3/1)	612.57 (22/11/83)	12.23 (8/7/32)
Utilities	132.66	131.98	130.64	130.44	130.44	131.17	140.7 (31/10)	119.46 (3/1)	163.32 (20/4/69)	10.85 (28/4/42)
Trading vol 1000's†	8566	6380	8271	6080	16626	18808	-	-	-	-

	Dec 9	Dec 2	Nov 25	(Year Ago Approx)
Ind div yield %	4.47	4.45	4.40	5.31

STANDARD AND POORS

	Dec 28	Dec 27	Dec 26	Dec 23	Dec 22	Dec 21	1983 High	1983 Low	Since Compilat'n High	Since Compilat'n Low
Industrials	186.75	186.0	184.1	183.88	184.11	184.24	193.22 (22/6)	154.95 (3/1)	193.22 (22/6/83)	3.52 (30/6/32)
Composite	165.26	164.76	163.22	163.01	163.27	163.56	170.99 (22/6)	138.34 (3/1)	170.99 (22/6/83)	4.4 (1/6/32)

	Dec 21	Dec 14	Nov 30	Year Ago (Approx)
Ind div yield %	3.77	3.78	3.72	4.61
Ind. P/E Ratio	13.37	13.33	14.43	10.69
Long Gov Bond Yield	11.78	11.90	11.49	10.45

N.Y.S.E ALL COMMON

Dec 28	Dec 27	Dec 26	Dec 23	1983 High	1983 Low
-	-	-	-	442.62 (6/5)	79.79 (24/1)

RISES AND FALLS

	Dec 28	Dec 27	Dec 26
Issues traded	2042	2023	1946
Rises	755	963	698
Falls	832	643	821
Unchanged	455	417	427

MONTREAL

	Dec 28	Dec 27	Dec 26	Dec 23	1983 High	1983 Low
Industrials	442.86	-	441.97	441.83	493.08 (5/5)	329.12 (4/1)
Combined	423.15	-	425.23	425.27	441.29 (26/9)	319.4 (5/5)
TORONTO Composite	2542.6	-	2536.3	2536.6	2598.2 (26/9)	1949.8 (4/1)

U.S. INDICES: CLOSING VALUES. YESTERDAY'S CANADIAN INDICES: LATEST AVAILABLE

	Dec. 28	Dec. 27	Dec. 23	Dec. 22	1983 High	1983 Low
AUSTRALIA All Ord. (1/1/80)	785.6	(c)	762.5	761.4	785.6 (28/12)	487.9 (4/1)
Metals & Minls. (1/1/80)	552.5	(c)	551.4	550.0	614.2 (6/9)	411.8 (4/1)
AUSTRIA Credit Aktien (2/1/62)	56.11	56.02	55.63	55.69	59.8 (5/5)	48.48 (15/2)
BELGIUM Belgian SE (31/12/63)	136.34	136.77	136.44	135.97	136.77 (27/12)	100.60 (4/1)
DENMARK Copenhagen SE (3/1/83)	210.34	207.82	—	209.34	210.34 (28/12)	100.00 (3/1)
FRANCE CAC General (31/12/82)	155.5	154.2	153.8	152.9	155.5 (28/12)	98.1 (5/1)
Ind Tendance (31/12/82)	167.0	166.0	165.8	165.1	167.0 (28/12)	99.0 (5/1)
GERMANY FAZ-Aktien (31/12/58)	351.71	349.25	348.14	349.36	351.71 (28/12)	241.89 (26/1)
Commerzbank (1/12/53)	1044.0	1033.1	1031.7	1034.0	1044.0 (28/12)	727.9 (25/1)
HONG KONG Hang Seng Bank (31/7/64)	874.15	867.3	867.3	863.56	1102.64 (21/7)	690.06 (4/10)
ITALY Banca Comm Ital. (1972)	191.07	192.02	190.35	189.24	214.95 (21/3)	160.46 (10/1)
JAPAN** Nikkei-Dow (16/5/49)	9893.82	9883.94	9884.17	9709.42	9893.82 (27/12)	7803.18 (25/1)
Tokyo SE New (4/1/68)	751.8	728.7	712.9	712.79	751.8 (28/12)	574.51 (25/1)
NETHERLANDS ANP-CBS General (1970)	155.5	151.9	149.6	149.6	155.5 (28/12)	100.1 (4/1)
ANP-CBS Indust (1970)	127.7	126.7	124.1	124.2	127.7 (28/12)	83.8 (4/1)
NORWAY Oslo SE (4/1/83)	221.57	223.37	221.82	218.34	223.67 (27/12)	99.01 (4/1)
SINGAPORE Straits Times (1966)	987.39	987.96	987.81	984.84	992.62 (25/8)	712.29 (5/1)
SOUTH AFRICA Gold (1958)	—	875.1	—	858.1	1099.5 (1/2)	861.4 (3/11)
Industrial (1958)	—	948.1	—	944.0	968.7 (22/6)	704.9 (5/1)
SPAIN Madrid SE (31/12/82)	116.62	116.16	117.85	117.77	129.14 (10/11)	98.52 (11/1)
SWEDEN Jacobson & P. (1/1/58)	1429.52	1432.95	1444.54	1444.33	1526.83 (21/12)	896.16 (3/1)
SWITZERLAND SwissBankCpn.(31/12/58)	384.6	386.6	384.3	381.4	384.5 (28/12)	284.4 (4/1)
WORLD Capital Intl. (1/1/70)	—	182.7	181.0	180.8	185.8 (10/10)	154.3 (3/1)

(**Saturday December 10: Japan Nikkei-Dow (c). TSE (c).
Base values of all indices are 100 except Australia All Ordinary and Metals—500. NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 industrials. § 400 industrials plus 40 Utilities. 40 Financials and 20 Transports. c Closed. u Unavailable.

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LONDON STOCK EXCHANGE

MARKET REPORT

Gilts better as U.S. events revive lower interest rate optimism

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Jan 16	Jan 26	Jan 27	Feb 6
Dec 12	Dec 22	Dec 29	Jan 9
Dec 30	Jan 12	Jan 13	Jan 23

* "New-time" dealings may take place from 9.30 am two business days earlier.

Post Christmas trading on the London Stock Exchange started slowly with attendance much thinner than usual due to holiday extensions. Government stocks featured the relaxed proceedings, resuming their upward momentum on interest rate hopes, while equities retained a firm undertone.

Last Friday's bigger-than-expected drop in U.S. money supply and predictions from numerous Wall Street analysts that interest rates might ease in the New Year—the key short-term Federal Funds rate dipped below 9 per cent for the first time for several months on Tuesday—gave the gilt-edged market reason to start on an optimistic note.

Scenting the cheaper money hopes, dealers opened the funds around ½ to ¼ higher and were son recording gains of ⅝ as sentiment was given a further fillip by sterling's fresh improvement yesterday against the dollar. Gains extended to ¾ in some cases before prices boiled over to leave closing gains to ½. The FT Government Securities index closed 0.22 up at 83.37, its highest level since November 22.

Leading industrial shares failed to gain inspiration from Wall Street's 13 point jump on Tuesday and generally moved sideways on lack of interest. Quotations drifted slightly lower initially but a late rally ensued and the mood remained optimistic. Down 1.1 for most of the session, the Financial Times Industrial Ordinary share index recovered to show a gain of 0.6 by the close at 755.6, only 0.6 off last Thursday's all-time peak.

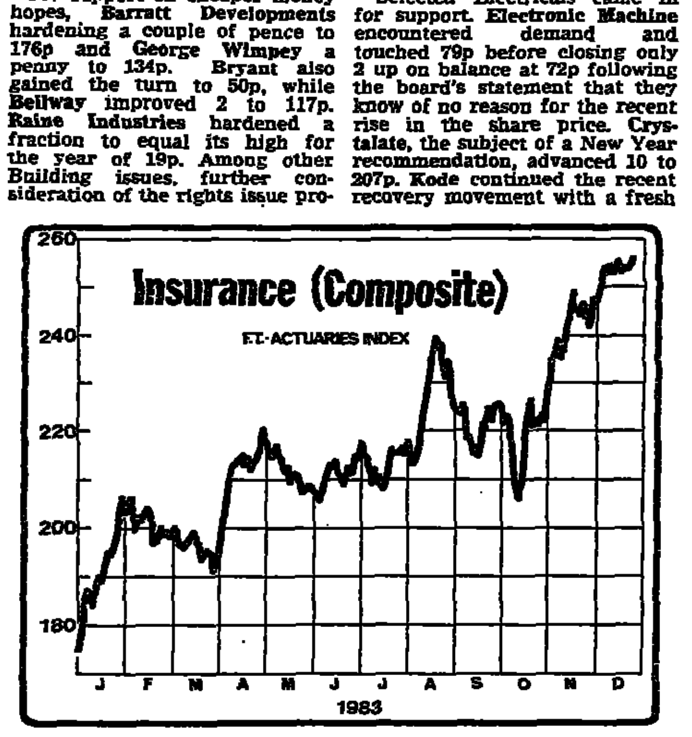
Elsewhere, features were also few and far between. Those stocks included, or rumoured to be mentioned, in brokers' New Year recommendation lists claimed the lion's share of the interest. Irish oil exploration issues were fairly active and South African gold shares showed widespread gains.

Clearing and Merchant Banks eased a few pence with the exception of **Hambros**, which hardened to a peak for the year of 160p. Fading hopes of a U.S. bid were once again held responsible for dullness in **Hill Samuel**, 5 lower at 328p. Overseas influences helped **Standard Chartered** to rise 5 to 488p, while merger posibilities encouraged smal buying of Discount Houses; **Union** rose 10 to 675p and **Cater Allen** 5 to 425p. Elsewhere, a deal involving a "put-through" lowered **Bank Leumi (UK)** 30 to 220p.

Awaiting developments in the bid situation, **Eagle Star** slipped to 703p before closing a net 12 down at 708p. Other Composite Insurances tended to ease in sympathy, with **Royal** shedding 5 to 498p.

Breweries drifted easier for want of attention. **Bass** shed a couple of pence to 308p, while **Grand Metropolitan**, down 7 at 331p, continued to react to profit-taking in the wake of the preliminary results.

Housebuilders attracted scattered support on cheaper money hopes, **Barratt Developments** hardening a couple of pence to 176p and **George Wimpey** a penny to 134p. **Bryant** also gained the turn to 50p, while **Bellway** improved 2 to 117p. **Raine Industries** hardened a fraction to equal its high for the year of 19p. Among other Building issues, further consideration of the rights issue proposal left **Edward Jones** a couple pence easier at 38p, while lack of interest clipped the same amount from **Crouch Group**, to a 1983 low of 62p. **Henderson Group** firmed 5 to 180p.



ICI gleaned little encouragement from Wall Street's 13-point gain overnight and fluctuated narrowly before drifting closing 6 down at 650p. Fresh support lifted **Allied Colloids** 4 to a high for the year of 317p, while **Hickson International** firmed 5 to 360p. **International Paint**, in receipt of a 210p per share minority bid from Courtaulds, softened a couple of pence to 200p; the price in yesterday's issue was incorrect.

Combined English up

Despite further favourable indications of bumper pre-Christmas consumer spending, leading Stores opened no better than mixed. Occasional interest was evident at the lower levels however, and most closed a shade firmer for choice. **House of Fraser** continued to attract speculative support and rose 4 to 250p, while **Woolworth** added a few pence at 343p. **Combined English** provided a notable feature, rising 5 to 46p following the sale of the company's loss-making menswear retail chain Harry Fenton to Burton for £3.5m; **Burton** gained 6 to a 1983 peak of 422p. **Amber Day** firmed the turn to 16p following an asset disposal, while buyers returned for **Wearwell**, 4 better at 95p. **Sumrie Clothes**, on the other hand, remained nervous in the wake of the interim figures and shed 5 more to 83p.

Among Shoes, **Strong and Fisher** attracted renewed option business and firmed 3 at 87p.

Selected Electricals came in for support. **Electronic Machine** encountered demand and touched 79p before closing only 2 up on balance at 72p following the board's statement that they know of no reason for the recent rise in the share price. **Crystalate**, the subject of a New Year recommendation, advanced 10 to 207p. **Kode** continued the recent recovery movement with a fresh gain of 12 to 247p, while **Cray Electronics**, 145p, and **Eurotherm**, 250p, improved 7 apiece. **BSR** edged up a couple of pence to a peak for the year of 197p.

Occasional movements in the Engineering sector were confined mainly to secondary issues. **Meggitt Holdings** responded smartly to a New Year recommendation with a jump of 15 to 90p. Further demand lifted **Belgrave (Blackheath)** 6 more to 120p, while **Ash and Lacey** rose 15 more to 478p. **Aurora** firmed a penny to 11½p among smaller-priced issues.

Dee Corporation provided the outstanding movement in Foods, jumping 34 to a high for the year of 422p following Press Comment suggesting that the shares could go to 500p in the New Year. **Nurdin and Peacock** firmed 4 to 134p and **Albert Fisher** 2 to 79p. **Bio-Isolates** continued to move erratically and touched 101p before closing a net 6 down at 91p. **Needlers** shed 3 to 60p as bid hopes faded.

Selected Miscellaneous Industrials benefited from either New Year or general recommendations, including **BTR**, up 11 at 428p, and **Dalgety**, 6 better at 434p. **Bestobell** were also 6 dearer, at 352p, while **Johnson Matthey** gained 5 to 255p. **Highgate Optical** regained 5 more to 78p, but profit-taking lowered **Granada "A"** 4 to 186p and **MY Dart** 2 to 27p, after 26p. The £1.2m acquisition announced yesterday helped **Sunlight Service** to rise 5 to 215p, while hopes of early moves in the proposed Singer and Friedlander sale stimulated demand for **European Ferries**, 2½ higher at 87p. Fresh buying in a thin market raised **Highgate and Job** 15 more to 175p; reports suggested that Peachfield have a near-30 per cent stake in the company. Elsewhere, **GR** were raised 15 further to 210p and **United Parcels** 8 to 120p. **Staffordshire Potteries** touched 67p prior to closing a net 2 up at 65p.

Truck manufacturers **ERF**, a firm market since last week's interim profits announcement, reacted 3 to 44p on profit-taking. Elsewhere in Motors, further support was forthcoming for ***British Car Auction***, which rose 7 to a 1983 peak of 241p.

Investment support lifted **British Printing and Communication** 5 to 138p. **Ault and Wiborg** firmed a penny to 45p, against the 46p agreed cash offer from Sun Chemical of the U.S. Elsewhere, **Geers Gross** continued to respond to recovery hopes and touched 120p before settling a net 4 dearer at 118p.

Leading Properties made a quietly firm showing, sentiment helped by renewed optimism about lower interest rates. **Land Securities** hardened 3 to 270p, while **MEPC**, expected to appear on the list of New Year recommendations, edged up a penny to 265p. **Peachey** rose 4 to 188p, as did **Haslemere Estates**, to 468p. Elsewhere, **Hales Properties** jumped 15 to 100p on the announcement that the directors are in discussions with an unnamed party which might lead to an offer for the company.

Textiles lacked a decided trend. **Lister** stood out with a Press-inspired gain of 5 at 50p.

Leading Oils edged higher in quiet trading, **BP** improving 6 to 401p and **Shell** 5 to 561p. Elsewhere, **Pict Petroleum** encountered a fair amount of speculative support on hopes of a favourable drilling report and advanced 25 to 153p. **Saxon** were also noteworthy for a gain of 5 to 253p, after 257p, while **KCA Drilling** put on 3 to 25p. Irish issues were relatively lively in the early dealings, **Atlantic Resources** falling to 655p before settling above the worst with a loss of 30 at 660p.

Good gains in Golds

Although much quieter than usual, mining markets recorded widespread gains. South African Golds made solid progress despite an easing of the bullion price, which closed a net $2.25 off at $377.875 an ounce, after trading around $379 during the morning fixing.

Good gains in overnight American markets ensured a strong opening throughout the list of gold shares. Thereafter, reports of persistent Cape interest took prices higher before the easier trend in bullion encouraged small profit-taking from New York.

Closing gains were sufficient to produce a rise of 11.6 to 594.0 in the Gold Mines index, its best level for almost three months.

Among the heavyweights, improvements of ½ point and more were common to **Winkelhaak**, £31, **Buffels**, £41¾, and **Southvaal**, £41½.

Elsewhere in the South African sector, **Consolidated Murchison** dropped 50 to 775p on profit-taking after the strong rise that preceded last Friday's dividend announcement.

The relaxed atmosphere among London equities was mirrored in Traded Options in which total contracts struck amounted to only 728—the lowest since early March.

FINANCIAL TIMES STOCK INDICES

	Dec. 28	Dec. 23	Dec. 22	Dec. 21	Dec. 20	Dec. 19	year ago
Government Secs ...	83.37	83.15	83.14	82.93	82.70	82.64	81.79
Fixed Interest	86.35	86.25	86.23	86.05	85.96	85.96	82.09
Industrial Ord.........	775.6	775.0	776.2	772.0	769.8	762.1	593.7
Gold Mines	594.0	582.4	579.3	580.1	570.1	558.2	552.9
Ord. Div. Yield........	4.58	4.58	4.55	4.59	4.59	4.62	5.07
Earnings, Yld.% (full)	9.36	9.36	9.38	9.35	9.37	9.43	10.92
P/E Ratio (net) (*).....	13.03	13.02	13.14	13.05	13.02	12.94	10.99
Total bargains.........	16,804	10,812	18,943	20,005	21,120	19,280	12,767
Equity turnover £m.	—	133.33	251.58	264.44	211.59	170.68	82.84
Equity bargains	—	10,140	17,345	16,856	15,648	16,084	9,577
Shares traded (ml)....	—	83.6	160.5	165.7	136.3	124.5	64.8

10 am 775.0. 11 am 774.9. Noon 774.3. 1 pm 773.9. 2pm 773.9. 3 pm 773.9.

Basis 100 Govt. Secs. 8/1/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/1/58. SE Activity 1974.

Latest Index 01-246 8026.

Nil=12.25.

HIGHS AND LOWS / S.E. ACTIVITY

	1983 High	1983 Low	Since Compilat'n High	Since Compilat'n Low		Dec. 23	Dec. 22
Govt. Secs ...	83.70 (11/11)	77.01 ([illegible])	127.4 (9/1/35)	49.18 (3/1/75)	—Daily Gilt Edged Bargains...	92.9	137.3
					Equities Bargains ...	66.7	112.4
Fixed Int....	86.41 (7/12)	79.03 (1/2)	150.4 (28/11/47)	50.53 (7/1/75)	Value ...	269.5	508.5
Ind. Ord.....	776.2 (22/12)	598.4 (12/1)	776.2 (22/12/83)	49.4 (26/6/40)	5-day Avrge Gilt-Edged Bargains...	132.4	143.7
Gold Mines.	734.7 (15/2)	444.6 ([illegible])	734.7 (15/2/83)	43.5 (26/10/71)	Equities Bargains...	98.6	105.3
					Value	417.0	454.4

NEW HIGHS AND LOWS FOR 1983

NEW HIGHS (112)

BRITISH FUNDS (10)
INT. BK. & O'SEAS GOVT. STLG. ISS. (5)
CORPORATION LOANS (2)
LOANS (1)
BANKS (2)
CHEMICALS (4)
STORES (6)
ELECTRICALS (9)
ENGINEERING (2)
FOODS (3)
INDUSTRIALS (17)
INSURANCE (4)
LEISURE (1)
MOTORS (2)
NEWSPAPERS (3)
PAPER (2)
PROPERTY (10)
SHOES (2)
TEXTILES (5)
TRUSTS (21)
OILS (2)
MINES (1)

NEW LOWS (11)

BREWERS (1)
Whitbread A
BUILDINGS (1)
Crouch Group
ELECTRICALS (2)
Immed. Bus. Systems United Scientific
INDUSTRIALS (2)
Airship Inds. Mainmet
LEISURE (1)
Photax (London)
PROPERTY (1)
Phoenix Prop. & Fin.
TEXTILES (1)
Nova (Jersey) Knit
OILS (1)
Palliser Internatl.
MINES (1)
Anglo Utd. Dev.

EUROPEAN OPTIONS EXCHANGE

Series		Feb. Vol.	Feb. Last	May Vol.	May Last	Aug. Vol.	Aug. Last	Stock
GOLD C	$375	48	18	—	—	—	—	$378.50
GOLD C	$400	90	6	—	—	3	27	"
GOLD C	$425	2	2.90	16	9	—	—	"
GOLD C	$450	—	—	3	4.50	—	—	"
GOLD P	$400	1	21 B	—	—	—	—	"
		March		June		Sep.		
SILV C	$ 9	—	—	8	1	—	—	$8.79
[illegible]								

TOTAL VOLUME IN CONTRACTS: 21,792

A=Ask B=Bid C=Call P=Put

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Wed Dec 28 1983 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Fri Dec 23 Index No.	Thurs Dec 22 Index No.	Wed Dec 21 Index No.	Tues Dec 20 Index No.	Year ago (approx) Index No.
[illegible]										

FIXED INTEREST

PRICE INDICES	Wed Dec 28	Day's change %	Fri Dec 23	xd adj. today	xd adj. 1983 to date
[illegible]					

AVERAGE GROSS REDEMPTION YIELDS	Wed Dec 28	Fri Dec 23	Year ago (approx)
[illegible]			

LONDON TRADED OPTIONS

Option		CALLS Jan.	CALLS Apr.	CALLS July	PUTS Jan.	PUTS Apr.	PUTS July
[illegible]							

RECENT ISSUES

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price	+ or −	Net dividend	Times covered	Gross yield	P/E Ratio
[illegible]											

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price £	+ or −
[illegible]							

"RIGHTS" OFFERS

Issue price	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price	+ or −
[illegible]							

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1984. H Dividend and yield based on prospectus or other official estimates for 1983-84. Q Gross. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. ♦ Figures or report awaited. § Placing price. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. ‖‖ Introduction. □ Issued to former preference holders. ▣ Allotment letters † Effective issue price after scrip. † Formerly dealt in under special rule. ✱ Unlisted Securities Market. C Canadian.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	82	5	14
Corpns. Dom. and Foreign Bonds ...	41	2	35
Industrials	253	183	965
Financial and Prop.	101	38	381
Oils	34	19	65
Plantations	2	1	17
Mines	53	24	91
Others	43	53	86
Totals	609	325	1,654

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Dec 19	Jan 6	Mar 22	April 2
Jan 9	Jan 20	April 2	April 16
Jan 23	Feb 3	April 26	May 8

For rate indications see end of Share Information Service.

Demand for Options was at a surprisingly high level with calls transacted in Barrie Investment and Finance, Eglinton, Intervision, Carpets International, Premier Oil, Bristol Oil and Minerals, Aran Energy, Coronation Syndicate, First National Finance, Metal Sciences, Rank Organisation, Dares Estates, North Kalgurli, Phicom, Thomas Borthwick, Royal Bank of Scotland, Pict Petroleum, Sound Diffusion, London and Liverpool, Strong and Fisher and Mersey Docks. Puts were arranged in Bowater and Rowntree Mackintosh, while doubles were taken out in London and Liverpool and Rank Organisation.

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
Atlantic Res	660	−30
BTR	429	+11
Bio-Isolates	91	−6
Cons Murchison	775	−50
Dee Corpn	422	+34
Eagle Star	708	−12
Electronic Machine ...	72	+2
Grand Metropolitan ...	331	−7
ICI	650	−6
Meggitt	90	+15
Pict Petroleum	153	+25
Tanjong Tin	325	+85

FRIDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Fri. close	Day's change
Brit Aerospace	13	232	+8
Dalgety	10	428	+10
Floyd Oil	10	75	—
Bowater	9	265	+1
Eagle Star	9	720	+5
Glaxo	9	720	−10
Beecham	8	317	−3
Cable & Wire N	8	109	−2
GEC	8	175	−2
Midland Bank	8	393	−7
BICC	7	253	+1
BP	7	395	−1
Burmah Oil ...	7	173	—
DJ Alarms ...	7	87	—

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

Index-Linked

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Building Societies

LOANS—Continued

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS, H.P. & LEASING

BANKS—Continued

Hire Purchase, Leasing, etc.

BEERS, WINES & SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

DRAPERY AND STORES

ELECTRICALS

ELECTRICALS—Continued

ENGINEERING

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
385	228	Johnston Grp. 10p.	233	.....	6.0	5.0	3.7	7.8
102	87	Jourdan (T.) 10p.	96	.....	5.6	1.2	8.3	13.3
64	39	Kalamazoo 10p	42	.....	3.33	1.8	11.3	7.1
60	35	‡Keas & Scott Hldgs	46	−1	M1.0	—	2.3	—
23	9¼	Keep Trust 5p	11½	.....	‡0.15	—	‡	—
210	140	Kelsey Inds	180	.....	8.0	1.7	6.6	12.8
130	58	Kennedy Smale	80	.....	♦—	—	—	—
155	110	Kershaw (A.) 5p.	155	.....	‡15.0	0.6	‡	(23)
80	39	Kleen-E-Ze Hldgs.	70xd	.....	14.5	0.5	9.2	—
101	52	L.C.P. Hlds	77	.....	3.6	1.5	6.7	(11.9)
32	14	LDH Group	27	.....	—	—	—	♦
132	93	L.R.C. Intl. 10p.	111	.....	†h2.95	2.6	3.8	12.4
38	17	Lamont Hldgs. 10p	38	.....	†1.3	1.8	4.9	14.9
44	26	Lawtex	44	+2	—	—	—	♦
480	345	Lep Group 10p	460	.....	17.5	0.3	5.5	63.2
49	22	Lilleshall 10p	45	.....	d1.0	—	3.2	—
350	23	Lon. & Liv. 10p	24	−1	b2.75	3.1	16.4	2.2
135	97	London & Mid'd	128	+½	7.75	1.1	8.9	14.0
50	20	Do. Defd.	46	+½	—	—	—	5.7
110½	38	Lon. & Nthn Grp.	70½	+1	F4.2	2.0	8.5	9.9
40	18	‡Lon. Priv Health	38½	.....	—	—	—	9.3
65	46	Longton Inds.	59	.....	1.0	—	2.4	—
144	70	Low & Bonar 50p	138	.....	†5.0	2.8	5.2	(7.8)
48	32½	MCD Group	43½	.....	g1.0	2.2	3.3	19.9
		for MMT Computing see Electricals						
29	16	M.Y. Dart. 10p.	27	−2	20.25	—	1.3	—
212	134	M'c'rthy Ph. 20p.	140	.....	7.0	2.7	7.1	6.6
148	128	Macfarlane Gp.	134	.....	†3.52	2.1	3.8	16.4
46	33	Maclellan 20p	39	.....	d1.5	1.6	6.3	12.2
63	31	Macpherson (D.)	42	+1	4.2	0.6	14.3	(14.8)
56	41	Magnolia Group	55	.....	2.3	3.2	6.2	6.2
72	64	‡Manmet Hlgs. 10p.	64	−1	—	—	—	68.3
180	65	Man. Ship Can. £1	142	.....	3.5	6.8	3.6	4.3
79	48	Marley	78	.....	†2.5	0.5	4.6	(47)
[illegible]								

LEISURE—Continued

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
103	78	‡Adam Leisure 10p	92xd	.....	sd2.0	3.6	3.1	11.8
152	124	Anglia TV 'A'	152	.....	6.5	2.7	6.1	7.7
112	85	Assoc. Leisure 5p	103	.....	†h4.13	2.1	5.7	14.5
128	72	Barr & W.A.T. 'A'.	89	.....	†5.0	1.9	8.0	(7.8)
100	40	Black & Edgtn.	80	+2	♦—	—	—	21.2
178	118	Boosey & Hawkes	153	.....	†2.3	1.5	2.1	(18.5)
61	32	Campari Int. 20p.	38	−1	‡d2.73	1.2	‡	(14.1)
177	160	‡Central TV N/Vtg 50p	177	.....	—	—	—	—
40	23	Fairline Boats 10p	38xd	−1	1.75	♦	6.6	♦
49	14½	GRA Group 5p	48	.....	—	—	—	61.7
69	45	Grampian TV'A' 10p	68	.....	†3.6	2.9	7.6	5.5
198	136	HTV Non-Vtg	198	+1	11.0	2.2	7.9	8.3
222	118	Horizon	160	−2	†3.6	5.7	3.2	7.0
162	91	Intasun 10p	153	+1	4.0	4.5	3.8	6.9
60	21	‡Interlude Video 10p	21	.....	1.0	♦	5.0	♦
420	258	Juliana's Hldgs 2p.	420	.....	b4.9	2.4	1.7	30.5
185	139	LWT "A"	182	.....	11.08	♦	8.7	♦
*147	45	Leisuretime Int 10p	45	.....	g1.54	♦	5.7	♦
132	97	Mngmt. Ag. M 10p	98	.....	8.75	1.6	12.8	7.1
83	52	Medminster 10p	83	+3	4.4	1.7	7.6	10.8
170	110	‡Miss World Grp 10p	150	.....	b3.0	2.5	2.7	21.8
23	17½	‡Nationwide 5p	19	.....	—	—	—	—
128	22	‡Nimslo Int 20c	23	.....	—	—	—	—
128	45½	Norton Opax. 10p	123	.....	t2.17	4.3	2.5	8.8
30	22½	‡Owners Abroad	28½	.....	0.5	4.5	2.5	12.8
47	35	Photax (Lon.)	35	−2	—	—	—	—
*147	84	‡Pineapple Dance S 10p	100	.....	g1.5	♦	2.1	26.1
363	217½	Pleasurama 5p	330	−5	15.75	4.5	2.5	19.7
173	108	‡Radio Cty 'A' NV	258xd	.....	♥4p	1.6	5.1	17.1
209	138	Riley Leisure 10p	142	−1	†3.95	1.7	4.0	19.7
132	83	Saga Hols. 20p.	108xd	+1	d3.73	—	4.9	—
515	315	Samuelson Grp £1	315	.....	12.0	♦	5.7	♦
113	94	Scot. TV 'A' 10p	112	.....	7.35	2.2	9.4	6.9
[illegible]								

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

INSURANCE

[illegible]

LEISURE

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc.

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS—Continued

[illegible]

OVERSEAS TRADERS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

Central African

[illegible]

MINES—continued

Australians

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
29½	13½	♥ACM 20c	30		—	—	—
52	32	Allstate Expln NL	36		—	—	—
40	9	♥Australn Mng. NL	29		—	—	—
25	11	Balmoral Resources	15	−½	—	—	—
60	33	♥Black Hill Mins.	33		—	—	—
87	51	♥Bond Corp	63		Q10c	♦	7.7
183	116	♥Bougainville 1 Kina	156	−2	m23.21	1.2	1.3
374	204	♥CRA 50c	362	−4	10.5c	—	0.5
145	60	♥Carr Boyd 20c	72	−3	—	—	—
44	25	♥Central Kalgoorlie	35		—	—	—
43	18	♥Central Pacific	20	−1	—	—	—
9	2¼	♥Con. Gold Mng Areas	3¼		—	—	—
17	5	♥Coopers Res. N L	8		—	—	—
255	183	♥Crusader Oil	195		—	—	—
20	8	♥Cultus Pac NL	14		—	—	—
[illegible]							

Tins

[illegible]

Miscellaneous

[illegible]

NOTES

[illegible]

REGIONAL AND IRISH STOCKS

[illegible]

OPTIONS

3-month Call Rates

[illegible]

"Recent Issues" and "Rights" Page 17

[illegible]

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

INSURANCES

Offshore & Overseas—continued

Aries Fund Managers Ltd
PO Box 284, St Helier, Jersey. 0534 72177
SterlFdInt £10 54 10.61 .... —

Bamford Brandt Guernsey Mngt Ltd
PO Box 71, St Peter Port, Guernsey. 0481 26541
Tech&Coms £7.92 8 40 .... —
IntGrowth $16.30 18 01 .... —
PacificBasinFd — $20.00 .... —

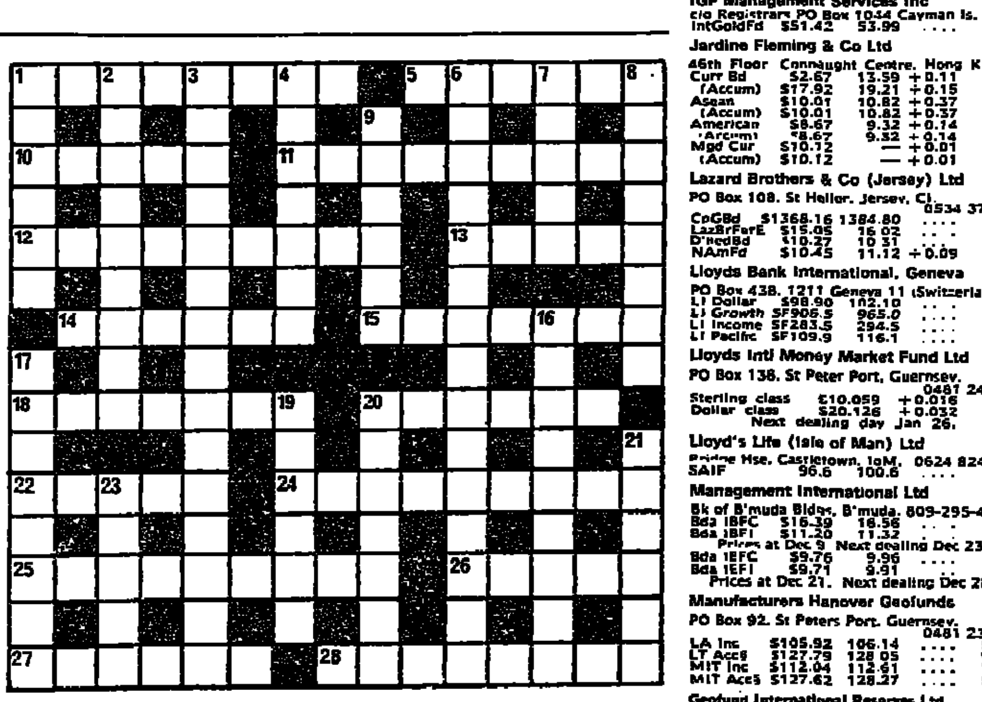
Brown Shipley Tst Co (Jersey) Ltd
PO Box593, St Helier, Jersey. 0534 74777
StlgCapital £16.63 16.64 +0 03 —

Insurances—continued

Money Market Trust Funds

Money Market Bank Accounts

F.T. CROSSWORD PUZZLE No. 5,303



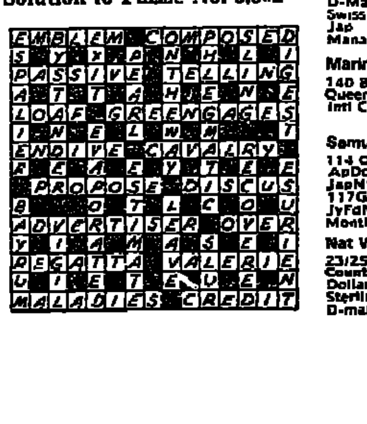
ACROSS

1 Norman's gain? (8)
5 Untidy person shows a bit of neck (6)
10 No bed at sea like fishes (5)
11 When it gets dark and there's last quarter of moon, all fight violently (9)
12 Experienced at the Proms? (3-6)
13 Long in laughter, he is! (5)
14 Something like 12? That's a thin yarn (6)
15 Rob's almost lop-sided, distorted (7)
18 Everyone in debt is taken into account (7)
20 Fish between two poles is agitated (6)
22 Dance for the odd bachelor (5)
24 Complain and then try for favour? That's one course (4, 5)
25 Person of spicy character good for wheezes? (5-4)
26 Seat taken in University (5)
27 Join—a Medical Union? (6)
28 Offshoots from the main business (8)

DOWN

1 A somewhat square Art form (6)
2 Pain loner suffers is above all others (9)
3 Not feeling well, covered by cloud? (5, 3, 7)
4 Buns tossed above part of head for this Malayan beast (3-4)
6 Holds all included in this ring style (5-2-5-3)
7 Custom of meat dish lacking sex appeal (5)
8 "Life with Lamb" could be suitable for screening (8)
9 An avariciousness is settled (6)
16 A stretch to get a quota of deliveries is to go too far (9)
17 Demonstrates against living quarters? (8)
19 Doesn't allow unruly beards (6)
20 Dozy person on the track (7)
21 In democracy, Prussia is partly an island (6)
23 Rise? Jockey gets it (5)

Solution to Puzzle No. 5,302



INSURANCE & OVERSEAS MANAGED FUNDS

Black Horse Life Ass. Co. Ltd.
71, Lombard St., EC3. 01-623 1288

Black Horse Man. Fd.	240.45		.....	—
Managed Inv. Fd.	162.44	170.99	.....	—
Property Fd.	151.83	159.83	.....	—
Fixed Interest Fd.	148.31	156.12	.....	—
Cash Fd.	136.98	144.19	.....	—
Income Fd.	178.18	187.56	.....	—
Extra Income Fd.	165.72	174.45	.....	—
Worldwide Growth Fd.	228.64	240.68	.....	—
Balanced Fd.	179.70	189.16	.....	—
Smlr Co's & Recv. Fd.	205.34	216.15	.....	—
Int. Technology Fd.	267.38	281.46	.....	—
Nth. Amer. & Gen. Fd.	165.50	174.22	.....	—
Energy Int. Fd.	103.27	108.71	.....	—
Pacific Basin Fund	142.93	150.46	.....	—

British National Life Assurance Co. Ltd.
Harlands Rd, Haywards Heath. 0444 414111

Managed	115.0	121.0	.....	—
Property	117.9	124.2	.....	—
Equity	119.7	126.0	.....	—
International	127.2	133.9	.....	—
Fixed Interest	103.7	109.2	.....	—
Deposit	100.2	105.4	.....	—
Managed Pen. Cap.	115.5	121.5	.....	—
Property Pens. Cap.	119.4	125.6	.....	—
Equity Pens. Cap.	114.7	120.8	.....	—
Intnl. Pens. Cap.	131.2	138.1	.....	—
Fixed Int. Pens. Cap.	100.8	106.1	.....	—
Deposit Pens. Cap.	97.7	102.8	.....	—

Canada Life Group
2-6, High St., Potters Bar, Herts. P. Bar 51122

Equity Gen Nov 30	97.1		.....	—
Rtmt. Fed. Nov 6	255.4		.....	—
Managed Pen Fund	186.7	196.5	.....	—
Property Pen Fund	115.1	121.5	.....	—
Index Lnkd Pen Fund	111.8	117.7	.....	—
Managed	125.0	131.6	.....	—
Property	104.6	110.5	.....	—
Gilt and Fixed Interest	108.4	114.2	.....	—
Index-Linked	97.7	102.9	.....	—
Equity	123.3	129.8	.....	—
Cash	104.8	110.4	.....	—
Midland Bk. Unit Tst.	122.0	128.5	.....	—
Midland Bank Intnl.	145.6	153.3	.....	—

G.T. Management Ltd.
16 Finsbury Circus, Lond. EC2M 7DJ. 01-628 8131

G.T. Plan Bond Fund	125.6	132.3	-0.6	—
GT Pln High Yld Fnd	126.2	132.9	+1.0	—
GT Plan Far East Fnd	125.6	132.3	+1.9	—
GT Pln N. Am Fd.	140.5	147.9	+1.2	—
GT Pln UK&G. E. Fnd	142.6	150.2	+1.5	—
GT Pln Wrldwde Fnd.	141.6	149.1	+1.6	—
GT Pension Bnd Fnd.	135.1	143.3	-0.7	—
GT Pen High Yld Fd.	143.8	151.4	+1.4	—
GT Pen Far East Fd.	154.7	162.9	+2.4	—
GT Pen N. Am. Fd.	20	216.8	+2.1	—
GT Pen UK & G.E. Fd.	164.0	178.5	+1.8	—
GT Pen Worldwide Fd.	149.8	159.1	+1.9	—

Prices for Accum. Units only.

Assicurazioni GENERALI S.p.A.
117, Fenchurch St., EC3M 5DY. 01-488 0739

Intl. Managed Bond	366.9	375.7	.....	—

General Portfolio Life Ins. C. Ltd.
Crossbrook St., Cheshunt, Herts. Waltham X 31971

Portfolio Fd. Acc.	257.1		.....	—
Portfolio Fd. Init.	211.2		.....	—

See adjacent page Mon-Fri and Stock Exchange Dealings page Sat

Gresham Unit Ass. Ltd.
2-6, Prince of Wales Rd. B'mouth. 0202 767655

Managed Fd.	278.4	293.4	.....	—
Money Fd.	156.5	164.7	.....	—
Equity Fd.	235.0	247.6	.....	—
Fixed Int. Fd.	118.8	125.2	.....	—
Property Fd.	173.0	182.3	.....	—
Managed Pen. Fd.	256.3	270.1	.....	—
Equity Pension Fd.	186.0	196.0	.....	—
Fixed Int. Pen. Fd.	166.2	175.1	.....	—
High Yield Pen. Fd.	163.8	172.6	.....	—
Money Pension Fd.	129.2	136.0	.....	—
Property Pension Fd.	128.2	135.1	.....	—
Gresham/Framlington				
American & Gen. Fd.	253.3	266.7	.....	—
Income Fd.	190.8	201.1	.....	—
Int'l. Growth Fd.	274.6	289.4	.....	—
Capital Fund	203.3	214.2	.....	—
Recovery Fund	152.9	161.1	.....	—

Lloyds Life Assurance—cont.
Gartmore Funds—Series A

American Dec 27	172.1	181.2	+0.3	—
British Dec 27	131.1	138.0	+0.9	—
Commodity Dec 27	127.3	134.0	+2.5	—
Extra Inc Dec 27	118.5	124.8	+1.9	—
Far Eastern Dec 27	115.8	121.9	+0.8	—
High Inc Dec 27	125.2	131.8	+2.9	—
Income Dec 27	151.9	159.9	+1.6	—
Global Strat Dec 27	183.8	193.5	+2.4	—
Special Sits Dec 27	141.4	148.9	+2.1	—
Gilt Dec 27	105.2	110.8	+1.0	—
Japan Dec 27	175.8	185.1	+1.1	—
U. Small Co's Dec 27	131.1	138.0	+1.5	—
Man Gwt Dec 27	155.1	163.3	+1.1	—
Autria Dec 27	115.0	121.1	+0.9	—
Oil and Energy Dec 27	114.6	120.7	+1.6	—
Gold Share Dec 27	80.4	84.7	+4.1	—

London A'deen & Nthn. Mtl. Assur. Ltd.
129 Kingsway, London, WC2B 6NF. 01-404 0393

'Asset Builder'	66.3	70.3	.....	—

London Indemnity & Gnl. Ins. Co. Ltd
18-20, The Forbury, Reading 583511

Property Growth Assur. Co. Ltd.
Leon House, Croydon CR9 1LU. 01-680 0606

Property Fund	289.6		.....	—
Property Fund (A)	281.5		.....	—
Agricultural Fund	1,122.5		.....	—
Agric. Fund (A)	1,092.5		.....	—
Abbey Nat. Fund	230.5		.....	—
Abbey Nat. Fd. (A)	229.5		.....	—
Investment Fund	140.6		.....	—
Investment Fund (A)	136.4		.....	—
Equity Fund	428.7		+1.5	—
Equity Fund (A)	420.7		+1.5	—
Money Fund	218.7		.....	—
Money Fund (A)	214.7		.....	—
Actuarial Fund	218.8		.....	—
Gilt-edged Fund	195.9		+1.1	—
Gilt-Edged Fd. (A)	195.9		+1.1	—
Retire Annuity	357.4		.....	—
Immed. Ann'ty	191.5		.....	—
International Fd.	269.3		.....	—
Bldg. Soc. Life Fd.	105.9		.....	—

Property Growth Pensions & Annuities Ltd.

All W'ther Ac. Uts.	252.2	265.5	.....	—
Inv. Fd. Uts.	278.4		.....	—
Pension Fd. Uts.	256.3		.....	—

Standard Life Assurance Company
3 George St., Edinburgh EH2 2XZ. 031-225 2552

Managed	208.5	219.5	+0.9	—
Property	153.5	161.6	+0.1	—
Equity	243.6	256.5	+0.4	—
International	213.5	224.8	+1.1	—
Fixed Interest	172.7	181.8	+1.5	—
Index Linked	98.8	104.1	.....	—
Cash	132.1	139.1	+0.1	—
Pension Managed	246.7	259.7	+0.9	—
Pension Property	156.6	164.9	+0.2	—
Pension Equity	293.1	308.6	+0.4	—
Pension Intl.	256.6	270.2	+1.1	—
Pension Fxd. Int.	183.4	193.1	+1.3	—
Pension Index Linked	99.8	105.1	+0.1	—
Pension Cash	149.7	157.6	+0.2	—

Sun Alliance Insurance Group
Sun Alliance House, Horsham. 0403 64141

				Series (2)		(1) Bid
Index Linked Fund	111.1	117.0	+0.2	111.7
Equity Fund	297.6	313.3	-0.2	298.1
Fixed Interest Fund	204.9	215.7	+0.5	205.2
Property Fund	214.9	226.3	+0.3	215.3
International Fd.	193.5	203.7	-0.1	193.8

Barclays Unicorn International
1, Charing Cross, St. Helier, Jersey. 0534 73741

Unigilt Trust	46.9	48.8	.....	10.70
Unidollar Trust	$16.53	17.48	+0.36	1.30
Unibond Trust	$91.27	91.99	+0.30	10.60

1, Thomas St., Douglas, Isle of Man 0624 23252

Uni-Australian Tst.	81.8	88.0	.....	1.20
Uni-Aust. Mineral Tst.	70.6	76.0	.....	1.4
Uni-Pacific Trust	181.3	195.0	.....	—
Uni-International Tst.	74.3	79.9	.....	1.4

Bishopsgate Commodity Ser. Ltd.
P.O. Box 42, Douglas, I.o.M. 0624-23911

ARMAC* Dec 5	$57.42	61.05	.....	—
COUNT** Dec 5	£3.798	4.028	.....	1.303
CANRHO** Dec 5	£2.481	2.631	.....	—

Original issue *$10 and **£1. Next sal. January 3.

Bridge Management Ltd.
GPO Box 590, Hong Kong

N'bashi Nov 30	Y43,700	44,580	.....	43,331
Nippon Fd Dec 28	$31.05	32.42	+0.87	0.83

Britannia Intl. Investment Mngmt. Ltd.
Box 271, Queensway House, Queen Street,

OFFSHORE AND OVERSEAS

NOTES

COMMODITIES AND AGRICULTURE

India limits tea exports

BY P. C. MAHANTI IN CALCUTTA

INDIA has banned the export of CTC (cut, teared and circled) tea in an attempt to meet domestic demand in the next few months.

Mr N. K. Daga, president of the Tea Association of India, said the industry is co-operating with the Government and the Tea Board efforts to maintain sufficient quantities for the domestic market at reasonable prices.

Mr Daga said he hoped the export ban would not go beyond the end of March.

Mr Jagdish Khattar, Tea Board chairman, said 75-80m kg of CTC teas have been exported so far, to meet a shortfall of the teas normally exported. The ban is expected to save 25-30m kg of CTC tea for the internal market.

Despite the CTC ban, Mr Khattar estimates that India will supply at least 200m kg of tea to the world market this year, compared with 189m kg in 1982.

He said that all unfulfilled export contracts of CTC teas will be honoured and the same applies to CTC packet teas. There will be no restrictions on tea bag exports.

Our Commodities Editor writes: There are no London tea auctions this week because of the Christmas and New Year holidays. However, brokers in London said yesterday that the Indian move could have a dramatic effect on prices.

A shortage of supplies has already brought a surge in London tea prices during the past few months to the highest level since 1977.

The upward trend has slowed down in recent weeks, but there could be another explosion in prices when the London auctions resume on Tuesday.

CTC teas are ideally suited for what is known as "quick brew" blends and account for a large proportion of the Indian exports to Britain.

India normally supplies about a quarter of UK tea imports and the world shortage of tea means that it will be difficult for other countries to fill the shortfall. So prices could rocket in London, while declining in India.

Irish meat exports ban

BY SARBARA DALZELL

IRISH MEAT exports to the U.S. will be stopped from the New Year because the Republic has not met standards laid down under U.S. law

Ireland was one of 23 countries warned by the U.S. Department of Agriculture (USDA) in July that it would lose its eligibility to export to the U.S. if it did not tighten its controls — in Ireland's case on the use of hormones and insecticides.

However, it failed to bring its standards in line with those laid down by USDA. Ireland is making representations to have the ban rescinded but expects it to be implemented with the next two weeks.

The Irish Export Board said last night that although Ireland had used only about a third of its 33,000-tonne quota last year the loss of the market was worrying.

The Board was also concerned that the ban might have a knock-on effect, damaging meat exports to the UK and the EEC.

Values of world sugar fall back

By John Edwards

WORLD SUGAR values fell back again yesterday. The London daily sugar price for raw sugar was cut by £4 to £122 a tonne — the lowest level since April. On the futures market, prices closed more than £3 down, reflecting an easier trend in New York over the holiday period.

Jordan and Iraq announced yesterday they will hold buying tenders next month. But there should be more than adequate supplies available to meet their needs although Iraq on January 18 will be inviting offers for up to 200,000 tonnes for shipment through 1984.

● TRADING volume on Japan's 19 commodity futures exchanges totalled 25.53m contracts this year, 27.2 per cent above 1982. Trading was active in soyabeans, sugar and rubber but declined in domestic commodities such as red beans.

● POLAND has produced 1.72m tonnes of sugar this year and has still not completed processing of its sugar beet crop.

● TAIWAN'S 1983 rice production is expected to exceed 2.52m tonnes, up from the 2.1m tonnes target and last year's 2.47m tonnes. The Taiwan Food Bureau said the larger crop was causing storage problems.

● UNSEASONAL and widespread rain in India has improved the already good prospects for record foodgrain output, officials said.

● JAPANESE rice consumption fell to 76.4 kg per person in 1983, from 77.8 kg the previous year, while meat consumption rose to 23.4 kg from 22.8 kg

● THE CHILEAN Government plans to seed clouds and create rain in Southern Chile to combat a drought affecting wheat growing areas.

Singapore urged to curb tin smuggling

Chris Sherwell reports from Singapore

SINGAPORE is coming under increasingly embarrassing fire from its tin-producing neighbours in the Association of South East Asian Nations (Asean) over the continued heavy smuggling of tin through its port which is helping to keep world prices weak.

The latest to join the attack is President Suharto of Indonesia, the world second largest producer after Malaysia. Indonesia's official Antara news agency says he appealed to Mr Lee Kuan Yew, Singapore's Prime Minister, to take steps to halt the smuggling when the two leaders met in Singapore for talks on Tuesday.

Precise figures for the export of tin ore through Singapore are difficult to come by, but it is known that they have risen sharply in recent months as export quotas imposed on producers in Malaysia, Indonesia and Thailand have taken hold.

From about 120 tonnes in January 1983, Singapore's monthly exports are understood to have soared to 800 tonnes in April and close to 1,200 tonnes by September when it was hoped that sufficient action to curb smuggling in neighbouring countries had already been taken.

Earlier this month, a meeting of the International Tin Council, which groups producers and consumers, heard in London that pleas to Singapore to stop accepting smuggled tin from other South East Asian producers had come to nothing and that the flow of metal of so-called "unspecified origin" to Singapore was continuing.

The council says some 16,500 tonnes of smuggled tin reached the market in the year to July 1983. It is understood that some 10,000 tonnes of this was coming through Penang in Malaysia, but that this virtually dried up after a strong appeal from the Malaysian government to local smelters.

The latest Singapore figures therefore suggest that the flow of smuggled material through Singapore of some 5,000-6,000 tonnes a year which has been tolerated hitherto by neighbouring tin producers could now double without some tough action from Singapore.

The government's official line is based on the fact that the country is not a tin producer and is not a member of any tin group. It reckons the city state is a centre of free entrepot trade and that it cannot interfere in normal business.

It is becoming clear, however, that the complaints from Indonesia and from other countries are an embarrassment, and that some action, as least over the country's single smelter, may become necessary. The smelter, however, is privately owned and operated by a company called Kimetal.

Although the smelter has become a particularly potent symbol of Singapore's role, the trade in ore is far more significant as far as the depressed world market is concerned.

In any event, the incentives for tin producers to smuggle their output abroad appear to remain strong. Smaller Malaysian producers would rather sell and stay in business than give up altogether.

Offshore Thai producers beyond the reach of the law are a constant source of smuggled tin and quantities from them are, if anything, likely to increase now that the stormy monsoon season has passed.

The only action open to Singapore would probably be to impose some form of import controls, which would be almost unprecedented and a virtual impossibility in the case of Indonesia, trade with which is kept a well-shrouded secret.

Tin prices fall in London and Penang

BY JOHN EDWARDS, COMMODITIES EDITOR

TIN PRICES eased on the London Metal Exchange yesterday following little apparent support buying in the buffer stock of the International Tin Council. Standard grade cash tin closed £67.5 down at £8,315 a tonne, continuing the sharp fall last week.

In Penang over the holiday period, the Straits tin price fell back to SM29.15 a kilo—the "floor" level of the International Tin Agreement at which the buffer stock must buy all supplies offered.

However Mr P. A. de Koning, buffer stock manager, strongly denies market rumours that the decline in prices is due to the bufferstock funds being close to exhaustion following the heavy support buying required in recent weeks.

Mr de Koning said that reported doubts over the bufferstock resources were helpful in so far that they enabled him to buy a little cheaper. He said the bufferstock has enough lines of credit from banks and brokers to operate and is not seeking any more.

Stocks of tin held in the LME warehouses dropped by 400 tonnes last week cutting total holdings to 42,880 tonnes. Aluminium stocks also fell by 950 to 226,775 tonnes and zinc by 800 to 96,550 tonnes.

However, aluminium values lost ground — the cash price closed £7.5 lower at £1,087 a tonne, reflecting the stronger tone in sterling, while zinc was virtually unchanged.

Copper stocks rose again by 3,850 to 435,375 tonnes — the highest level since September 1978. Stocks in the New York (Comex) copper market warehouses were up too by 1,190 to 409,200 short tons.

Nickel stocks in the LME warehouse rose by 462 tonnes to a record total of 28,236 tonnes. Lead increased by 650 to 172,125 tonnes and LME silver holdings by 550,000 to 44,494,000 oz.

Like copper, lead and nickel prices were sustained by the firmer trend in sterling against the dollar in quiet trading conditions. Lead failed to react either to reports of Chinese buying, or the possible impact on demand for batteries of the cold snap in the U.S.

Duty-free quota for aluminium

TOKYO — The Japanese Government will set a duty-free import quota for primary aluminium in the year starting April 1 at 424,000 tonnes, in a move to save deficit-ridden aluminium smelters.

The Finance Ministry said the Tariff Council, a Government advisory panel, has recommended the import quota, which requires Parliamentary approval by April.

Japanese aluminium smelters were allocated a 393,000 tonne quota in 1982-1983 and 424,000 tonnes in 1983-84. The same amount will thus be issued in 1984-85.

The ministry said the quota will be allocated to five aluminium smelters including Nippon Light Metal and Mitsui Aluminium Smelting.

Warning of cocoa supply problems

By Our Commodities Staff

COCOA PRICES reached five-year highs yesterday morning on the London futures market before closing at £1,980.50 a tonne, up £27.50 on the previous close.

Traders said the market was boosted by higher New York prices, the likelihood of serious supply difficulties and bushfire warnings from Ghana.

Speculative and chart buying provided much of the morning support, on chart projections that the March position will son reach £2,000 a tonne. At the beginning of December, the March contract was trading at about £1,600, going up to £1,787 by December 9, and rising steadily since. Yesterday's peak was £1,990.

In Paris yesterday, French brokers Michel Goldschmidt et Fils warned that the likelihood of two successive world cocoa deficits could lead to serious supply difficulties.

Its latest newsletter supported this month's International Cocoa Organisation (ICCO) forecast of a global deficit of 180,000 tonnes in 1983-84. The ICCO estimated the 1982-83 deficit at 155,000 tonnes.

Over-estimates on West African crops and a "worrying" situation in Brazil are likely to add to supply difficulties, the newsletter said.

In Abidjan, a top Ghanaian official warned that unless indiscriminate tree felling and setting of bushfires is stopped, there will be a further drop in agricultural production and famine will set in. This follows last week's prediction by Ghanaian Finance Minister Kwesi Botchway that cocoa production would fall to 150,000 tonnes in 1983-84 from 170,000 tonnes the previous year.

PRICE CHANGES

In tonnes unless stated otherwise	Dec. 22 1983	+ or —	Month ago
Metals			
Aluminium	£1087	—7.5	£1050
Free Mkt	$1580/1610	......	$1585/161
Copper			
Cash h grade	£978.00	—1.75	£992
3 mths	£1004.25	—0.5	£1014.75
Cash Cathode	£960.25	+0.5	£976.5
3 mths	£986.00	+1.25	£998.75
Gold troy oz	$378.00	+0.125	$395.125
Lead Cash	£279.125	—0.625	£282.75
3 mths	£289.125	......	£291.75
Nickel	£3210	—1	£4646.34
Free Mkt	205/225c		208/228c
Palladium oz	$163.25	—3.75	$150.00
Platinum oz	£270.05	—0.75	£273.50
Quicksilver†	$303/312	......	$305/315
Silver troy oz	612.90p	—4.95	596.35p
3 mths	626.70p	—4.75	609.05p
Tin cash	£8395	—37.5	£8720
3 month	£8507.5	—47.5	£8845.6
Tungsten	$74.70	......	$78.12
Wolfr'm 22.04lb	$70/74	......	$68/72
Zinc Cash	£604.5	—1.0	£586
3 mths	£618.75	+1.5	£597.75
Producers	$950-980	......	$950

	Dec. 22 1983	+ or —	Month ago
Oils			
Coconut (Phil)	$1045x	+25	$915
Goundnut	‡	......	$900
Linseed Crude	‡	......	$425
Palm Malayan	$750v	+35	$680
Seeds			
Copra Phil	$680vw	......	$595
Soyabean (U.S.)	$337.75y	+16.25	$316.75
Grains			
Barley Fut. Mar	£122.00	—1.45	£122.50
Maize	£148.0x	......	£146.00
Wheat Fut. Mar	£121.25	—1.25	£123.40
No 2 Hard Wint	‡	......	‡
Other commodities			
Cocoa ship't*	£1988	......	£1685
Fut. March	£1964	+28.5	£1639.5
Coffee Ft. Mar	£1926.5	—20.5	£1913.5
Cotton A.Index	89.05c	—0.10	89.05c
Gas Oil. Jan	$251.25	+6.25	$348
Rubber (kilo)	82.50p	......	85p
Sugar (Raw)	£122.5wx	......	£145
Woolt'ps 64s	423p kilo	......	406p kil

‡ Unquoted. v Jan. w Feb. x Dec-Jan. y Jan-Feb. † Per 75 lb flask. * Ghana cocoa. n Nominal. c Cents per pound.

LONDON OIL

The market was called between $6 and $8 higher this morning with trading selling evident at the higher levels. U.S. buying, basis the arbitrage was also seen. A weaker New York market pushed prices down in the afternoon but both markets recovered towards the close, reports Premier Man.

CRUDE OIL FUTURES

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per brl		
Feb	—	—	—
Mar	29.20	+0.7	29.30-28.80
Apr	29.15	+0.7	29.15-29.10
May	28.95	+0.5	28.95-28.85
June	—	—	—

SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	28.25-28.50	+0.22
Iranian Light	27.80-28	+0.05
Arab Heavy	26.15-26.25	+0.08
North Sea (Forties)	29.20	+0.50
North Sea (Brent)	29.30-29.60	+0.65
African Bonny Li'ht	29.25-29.50	+0.37
PRODUCTS—North West Europe CIF ($ per tonne)		
Premium gasoline	260 263	—0.5
Gas oil	249 256	+1.5
Heavy fuel oil	173-176	+1

GAS OIL FUTURES

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
Dec	251.25	+6.25	251.50-50.25
Jan	254.50	+6.50	256.50 53.25
Feb	262.75	+7.50	263.50-50.50
Mar	248.00	+6.25	249.00-48.50
April	244.50	+6.50	244.25-43.00
May	243.00	+6.75	243.50-41.00
June	241.50	+7.00	240.00-39.50
July	242.50	+9.05	—
Aug	241.00	+6.75	—

Turnover: 3,726 (278) lots of 100 tonnes.

GOLD MARKETS

Gold fell $2¼ an ounce from Friday's close in the London bullion market yesterday to finish at $377½-378½. The metal opened at $379½-380, which was its highest level of the day and lost ground steadily to finish at the day's low. Trading was very quiet with light selling pushing gold easier in a featureless market.

In Paris the 12½ kilo bar was fixed at FFr 102,300 per kilo ($378.07 per ounce) in the afternoon compared with FFr 102,300 (FFr 328.07) in the morning and FFr 102,700 ($378.47) on Tuesday afternoon.

In Luxembourg the dollar per ounce equivalent of the 12½ kilo bar at the fixing was $379.50 compared with $380.50.

In Frankfurt and Zurich gold finished at the same level of $377½-378½.

LONDON FUTURES

Month	Yest'rday's close	+ or —	Business Done
	$ per troy ounce		
Feb	381.00-81.50	—2.25	385.700-8.00
April	387.00-88.00	—2.25	—
June	393.00-94.50	—2.75	—
Aug	399.50-01.00	—2.70	—
Oct	406.00-07.50	—2.75	—

Turnover: 81 lots of 100 troy ounces.

	Dec. 28		Dec. 23	
Gold Bullion (fine ounce)				
Close	$377½-378½	(£263-263½)	$379¾-380½	(£265½-266)
Opening	$379½-380	(£264¼-264¾)	$380½-381¼	(£265¾-266¼)
Morning fixing	$379.10	(£264,218)	$379.50	(£265.014)
Afternoon fixing	$378	(£263,451)	—	—

Gold and Platinum Coins Dec. 28					
Krugrnd	$389½-390¼	(£271½-271¾)	King Sov	$90½-92	(£63-64)
½ Krg	$201-201¾	(£140-140½)	Victoria Sov	$90½-92	(£63-64)
¼ Krg	$102½-103¼	(£71½-72)	French 20s	$75-77¼	(£52¼-53¾)
1/10 Krug	$42 42¾	(£29¼ 29¾)	50 pesos Mex	$459-461	(£319¾-321¼)
Mapleleaf	$389½-390¼	(£271½-271¾)	100 Cor. Aust	$368-372	(£256¼-259¼)
New Sov	$89 89¾	(£62-62½)	$20 Eagles	$520-530	(£362¼-369¼)
½ New Sov	$53½-54	(£37-37½)	Noble (Plat)	$402½-407	(£280½-283½)

EUROPEAN MARKETS

ROTTERDAM, December 28.

Wheat—(U.S.$ per tonne). U.S. Two Red Winter Jan 164 up, Feb 164, March 165, April 166. U.S. Two Northern Spring 14 per cent protein Dec 20/Jan 10 194.50, Jan 15/Feb 15 196.50, Feb 196, March 196.75, April/May 181, June 180, July 181.50. U.S. Three Amber Durum Jan 208, Feb 210, March 212, April/May 197, June 196, July 197. Canadian Western Spring April/May 210.

Maize — (U.S.$ per tonne): U.S. Three Yellow afloat 163.50, Dec 163.50, Jan 163.50, Feb 162, March 160.50, April/June 159.75 sellers. Argentine Plate April 163, April/June 162 sellers.

Soyameal—(U.S.$ per tonne): 44 per cent afloat 267, Jan 267, Feb/March 271, April/Sept 265, Nov/March 235 sellers. Pellets Brazil Feb 283, March 285, April 278, April/June 274, April/Sept 267 sellers. Pellets Argentine afloat 274, afloat cif Ghent 276, Jan 276, Jan cif Ghent 273, Feb 278, Jan/March 278, May/Oct 261 sellers.

BRITISH COMMODITY PRICES

BASE METALS

BASE-METAL PRICES were little changed in extremely subdued trading on the London Metal Exchange. Copper moved in a £3 range prior to closing the late Kerb at £1,005.5, while Lead was finally £290.5, Zinc £618.75, Aluminium £1,115.25 and Nickel £3,319. The absence of support buying promoted modest selling of Tin which dropped to close at £8,462.5.

COPPER

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	978-.5	—1.5	977.5-8.5	—1.75
3 months	1003.5-4	—1	1004-.5	—.5
Settlem't	978.5	—1.5	—	......
Cathodes				
Cash	960-1	+.75	959.5-61	+.5
3 months	985-7	+1.25	985-7	+1.25
Settlem't	961	+1	—	......
U.S. pro'd	—	—	*66-70	......

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £977.50, 78, 78.50, three months £1,003.50, 03, 03.50, 04. Kerb: Higher Grade: Three months £1,004, 04.50, 05. Afternoon: Higher Grade: Three months £1,005, 05.50, 05, 04.50. Kerb: Higher Grade: Three months £1,005, 05.50, 06. Turnover: 46,800 tonnes.

TIN

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	8445-50	+15	8390-400	—37.5
3 months	8550-5	—2.5	8505-10	—47.5
Settlem't	8450	+15	—	......
Standard				
Cash	8375-80	—5	8310-20	—67.5
3 months	8545-6	+3	8475-80	—65
Settlem't	8380	—5	—	......
Straits E.	$29.15	—0.01	—	......
New York				

Tin—Morning: Standard: Cash £8,380, three months £8,550, 40, 45. High Grade: Cash £8,430, 40, 45, three months £8,555. Kerb: Standard: Three months £8,540. Afternoon: Standard: Three months £8,535, 25, 20, 10, 8,500, 8,490, 8,480. High Grade: Three months £8,520, 15, 10. Kerb: Standard: Three months £8,480, 90, 80, 70, 65. Turnover: 1,630 tonnes.

LEAD

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	279-.5	—.5	279-.25	—.625
3 months	289-.5	—.125	289-.85	......
Settlem't	279.5	—.5	—	......
U.S. Spot	—	......	*24-8	......

Lead—Morning: Cash £279, three months £288, 88.50, 88.75, 89. Afternoon: Three months £289.25, 89. Kerb: Three months £289, 90. Turnover: 5,875 tonnes.

ZINC

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	604.5-5.5	+1.5	604-.5	+1
3 months	619-.5	+2	618.5-9	+1.5
Settlem't	605.5	+1.5	—	......
Prim w'ts	—	......	*49-.75	......

Zinc—Morning: Three months £619, 19.50. Kerb: Three months £620. Afternoon: Three months £619. Kerb: Three months £619. Turnover: 5,450 tonnes.

ALUMINIUM

Aluminim	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Spot	1088.5-9	—5.25	1086.5-7.5	—7.5
3 months	1117-.5	—5	1115-.5	—7

Aluminium—Morning: Three months £1,119, 19.50, 20, 19.50, 18.50, 18, 17.50, 17. Kerb: Three months £1,118, 18.50. Afternoon: Three months £1,115, 16, 15, 15.50, 15. Kerb: Three months £1,115, 14, 15. Turnover: 13,200 tonnes.

NICKEL

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —†
Spot	3235-40	—3.5	3238-42	—1
3 months	3312-5	—9	3318-9	—4.5

* Cents per pound. ‡ MS per kilo. † On the previous unofficial close.

Nickel — Morning: Three months £3,315. Kerb: Three months £3,315. Afternoon: Three months £3,318, 19, 18. Kerb: Three months £3,318. Turnover: 1,194 tonnes.

SILVER

Silver was fixed 4.95p an ounce lower for spot delivery in the London bullion market yesterday at 612.9p. U.S. cent equivalents of the fixing levels were spot 879.2c, down 4.3c; three-month 901.1c, down 3.9c; six-month 925.1c, down 4c; and 12-month 974.9c, down 3.7c. The metal opened at 611½-614½p (878-882c) and closed at 608½-611½p (873-877c).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	612.90p	—4.95	612.75p	—7.25
3 months	626.70p	—4.75	626.75p	—7.25
6 months	642.70p	—4.75	—	......
12 months	675.00p	—4.70	—	......

LME—Silver (2,000 oz contract)—Three months 626.75p (533.5p). Turnover: nil (same)

Turnover: 192 (49) lots of 10,000 oz. Morning: Large three months 630.0, 29.0, 29.5, 30.0; small untraded. Kerb: untraded. Afternoon: Large cash untraded three months 626.5, 26.0; small untraded. Kerb: Large three months 626.5; small untraded.

COCOA

During a day of active trading futures established new highs and flirted briefly with limit up before easing on the final call. In spite of these higher prices producers declined to re-enter the Market in a major way and only light physical trading was noted, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
	£ per tonne		
Dec	1960-68	+26.5	1970-60
March	1988-89	+35.5	1990-70
May	1962-64	+31	1965-48
July	1937-38	+24	1941-27
Sept	1914-16	+26	1915-02
Dec	1879-84	+25	1895-70
March	1866-70	+23.5	1874-65

Sales: 3,368 (2,967) lots of 10 tonnes.

ICCO indicator prices (U.S. cents per pound). Daily price for Dec 28: 124.06 (123.08); five-day average for Dec 29: 121.44 (119.64).

COFFEE

During a quiet morning London traded higher in light volume, reports Drexel, Burnham Lambert. However, easier New York levels and steadier Sterling prompted a gradual retracement as earlier gains of £9-£13 were slowly erased. Dealer and Jobber liquidation triggered stop-loss selling as values finished on a very easy note.

COFFEE	Yest'day's Close	+ or —	Business Done
January	2000-07	—24.5	2039-07
March	1926-27	—20.5	1958-25
May	1837-38	—20.5	1873-37
July	1790-97	—23.5	1830-85
Sept	1770-73	—16.5	1803-70
Nov	1750-67	—7.5	1767
January	1700-20	+18.0	1717

Sales: 1,899 (746) lots of 5 tonnes.

ICO indicator prices (U.S. cents per pound) for Dec 27. Comp. daily 1979 139.41 (139.27); 15-day average 140.27 (140.22).

GRAINS

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No 1 14 per cent Feb/March 147.50, April/May 137.50 trans shipment East Coast. English feed fob Jan 125.50, Jan/March 125.75, April/June 128.75 East Coast. Maize: French Dec/Jan 148.00, Jan/March 149.00 East Coast. Barley: English feed fob Jan 125.00, Jan/March 126.00 East Coast.

	WHEAT		BARLEY	
Mnth.	Yesterdy's close	+ or —	Yestday's close	+ or —
Jan	118.2	—1.30	119.05	—
Mar	121.25	—1.25	122.00	—0.45
May	124.20	—1.25	123.70	—0.60
July	127.25	—1.25	—	—
Sept	111.90	—0.10	109.40	—0.35
Nov	114.90	—0.10	112.40	—0.35

WOOL FUTURES

LONDON NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. Dec 412, 414, 414; Jan 406, 410, 410; March 424, 428, untraded; May 434, 438, untraded; Aug 451, 453, 454-450; Oct 453, 458, 453; Dec 457, 462, 456; Jan 458, 465, untraded; March 462, 372, untraded; May 468, 476, untraded. Sales: 12.

SYDNEY GREASY WOOL—Close (in order, buyer, seller, business). Australian cents per kg. March 561.0, 567.0, 561.0; May 577.0, 581.0, untraded; July 589.0, 594.0, 590.0; Oct 583.0, 587.5, untraded; Dec 590.0, 595.0, untraded; March 604.0, 606.0, untraded; May 608.0, 630.0, untraded. Sales: 4.

POTATOES

Despite higher Dutch futures, London did not maintain pre-Christmas gains, slipping lower throughout the day to close around the lows in fairly quiet trade.

Month	Yesterdy's close	Previous close	Business Done
	£ per tonne		
Feb	152.00	152.50	—
April	175.10	180.70	180.0-175.0
May	185.80	190.50	188.5-185.5
Nov	75.50	77.00	—
Feb	85.10	87.00	—

Sales: 385 (545) lots of 40 tonnes.

RUBBER

No. 1 R.S.S.	Yesterdy's close	Previous close	Business Done
	£ per tonne		
Feb	848-853	841-842	—
Mch	852-853	846-847	853
Apl-Jne	858-860	851-852	858-847
Jly-Sept	869-870	862-863	869-860
Oct-Dec	878-880	873-874	—
Jan-Mch	887-893	883-884	—
Apl-Jne	898-902	894-895	—
Jly-Sept	909-912	905-906	—
Oct-Dec	916-932	910-925	—

Sales: 57 (11) lots of 15 tonnes; 1 (nil) lots of 5 tonnes.

Physical closing prices (buyers) were spot 84.00p (83.00p); Feb 85.00p (84.75p); March 85.25p (85.00p).

SOYABEAN MEAL

The London Market opened £4 higher in quiet trading conditions, reports T. G. Roddick. Prices eased on slight profit taking to close market with gains of £3.

	Yestday's close	+ or —	Business Done
	£ per tonne		
Feb	188.60-89.80	+3.35	189.90-89.50
April	191.00-92.00	+3.5	191.00
June	185.00-86.00	+2.75	185.50
August	184.00-86.00	+3.00	—
October	173.50-81.00	+1.75	—
Dec	163.50-71.00	+1.75	—
Feb	157.00-77.00	—	—

Sales: 25 (27) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar £122.5 (£126.5) a tonne for Dec-Jan-Feb shipment. White sugar £151.00 (£154.00).

The market opened lower in line with the fall in New York yesterday and thereafter prices showed little change in quiet conditions, reports C. Czarnikow.

No. 4 Contract	Yestday's close	Previous close	Business done
	£ per tonne		
Mar	142.70-42.75	145.00	145.75-41.50
May	148.90-49.00	151.85	149.50-.4650

No. 6 Contract	$ per tonne		
Mar	204.80-05.20	208.60-09.60	205.60-04.80
May	214.60-14.80	217.00-18.40	214.80-13.00
Aug	222.60-22.80	226.00-26.40	222.60-21.60
Oct	230.60-30.80	235.00-34.40	230.40-29.00
Dec	236.20-38.20	240.00-45.00	—
Mar	252.00-52.80	255.00-57.00	252.60
May	259.00-61.00	262.00-65.00	—

Sales: No 4— (542): No 6 — (1,681) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis sugar was untraded (£233.5) a tonne for export.

International Sugar Agreement—(U.S. cents per pound fob and stowed Caribbean ports). Prices for December 23. Daily price untraded (7.31). 15-day average untraded (7.60).

MEAT/FISH

MEAT COMMISSION—Average fatstock prices at representative markets. GB—Cattle 98.35p per kg lw (+0.10). GB—Sheep 159.11p per kg est dcw (+6.00). GB—Pigs 78.99p per kg lw (+5.30).

COVENT GARDEN—Prices for the bulk of produce, in sterling per package except where otherwise stated.

Imported produce. Satsumas—Spania: 3.40-3.80. Clementines — Corsican: 2.00-3.00; Spania: 82/120 4.50-4.80, 132/168 4.20-4.50, 182/210 4.00; Moroccan: 1's 4.40, 2's 4.00-4.10, 3's 3.80-4.00, 4's 3.50-3.60, 5's 3.00-3.20. Oranges—Spania: 42/48/54/60 4.80-5.00, 70/80/90 4.50-4.80, 100/110/120 4.80-5.00; Moroccan: 48 5.00, 63 4.80, 75 5.00, 88 5.00, 100, 5.00. Jaffa—navels 16-kg carton 40 5.20, 48/56 5.50, 72/88 5.10, 100 5.40, 113 5.50; 21-kg Bruce 56 6.00, 60/75 6.20, 88/105 6.00, 123 6.20, 144 6.30. Lemons—Italian: carton 5.00-5.50. Cyprus: 10-kg boxes 2.50-4.40. Greek: 10-kg 3.50-4.20, 15-kg 6.00-6.50; Spania: 5-kg 1.80-2.20.

Grapefruit—Jaffa: 32 4.80, 36 4.80, 40 4.60, 48 4.40, 56 4.00. Sunrise 23 5.60, 32 6.20, 36 6.40, 40 6.40, 48 6.20, 56 6.00. Red Blush 32 5.90, 36 6.00, 40 6.00, 48 5.60, 56 5.20; U.S.: Ruby 6.50-7.50; Cyprus: 32 4.60, 40 4.30, 48 4.00, 56 3.80, 64 3.60; Cuban: Pink 36/40 3.80-4.00.

Apples: French: Golden Delicious carton 5.50-7.50, Granny Smith carton 8.20-8.80. Starkcrimson, carton 6.50-7.00; Italian: 21-kg Golden Delicious 5.50-6.00. Starking 6.50; Hungarian: approx 19-kg Starking 6.20-6.80; U.S.: Red Del. new season carton 12.00-13.00.

Pears—per lb Italian: Passacrassana 0.12-0.14; Dutch: Comice 0.25-0.26.

Apricots—Cape: tray 7.00. Plums—Cape: Santa Rosa tray 8.80. Grapes—Spanish: Almeria 0.25-0.32, Napoleon 0.28-0.30; U.S. Red Emperor 0.60. Cherries—Chilean: per lb 1.60. Cranberries—U.S. pack x 18 6-oz 7.20, 24 x 12-oz 13.20. Melons—Spanish: 10-kg green 4.50-6.00, 15-kg green 9.00-12.00; Israeli: Galia 8.00-9.00; S. African: Ogen 11.00-12.00. Bananas—Colombian: 40-lb boxes 9.50-10.00; Martinique: 33-lb 7.00-7.20. Avocados—Israeli: 4.80-5.50; Canary: 5.20-5.50. Pineapples—Each: Ivory Coast: D 0.40-0.45, C 0.70-0.75, B 0.20-0.90, A 1.40-1.50; Cape: 9's 0.35-0.40, 8's 0.40-0.45, 7's 0.50-0.55, 6's 0.60-0.65, 5's 0.75-0.80, 4's 0.90-1.00; Ghana: each 1.40-1.60. Paw Paws: Brazilian: 6.00-6.50. Mangoes—Kenyan: 8.00-8.50; Brazilian: 8.00-8.50. Figs—Smyrna: 48's x 8-oz 9.00-9.20. Kiwifruit—New Zealand: 6.50-7.00.

Litchees—S. African: Per pound 1.10-1.20. Tomatoes—Spanish: tray 4.50-5.00; Canary: tray 5.50-6.50. Lettuce—Dutch: Trays 24's 6.50-6.80. Fennel—Italian: 9 kg 4.00-4.60. Aubergines—Canary: 4.00-4.50; Israeli: 5.00-5.50; Italian: 5.50-6.00; Brazilian: 6.60; Kenyan: 4.00. Onions—Spanish: 25 kg nets Zaragoza: 6.40-6.60; Dutch: 45/60 mm 4.20, 60/80 mm 4.80-5.00; Polish: 4.80-5.00. Capsicums—Dutch: Green 6.60-7.00, Red 6.50-7.00; Israeli: Green 3.80-4.00, Red 7.00-7.50; Spanish: Green 4.20-4.50, Red 6.00, Yellow 5.00-5.50; Canary: Green 4.20-4.50. Cabbages—Dutch: Red 6.00-6.20, White 5.60-5.80. Sugar Peas—Per pound, Kenyan: 1.20-1.40; Moroccan: 0.90-1.00. Globe Artichokes — Cyprus: 12's 6.00-6.60; Egyptian: 24's 11.00. Courgettes—Per pound. Spanish: 0.40-0.45; Kenyan: 0.55-0.60; Cyprus: 0.55-0.60. Chestnuts—Italian: 22 lb 80/85 mm 5.00-5.50, 60/65 mm 7.00-7.20, 46/50 mm; Spanish: 11 lb 3.40-4.00. Dates—Packets x 30 0.48-0.60; packet x 24 0.40-0.45. Brazils — Large washed Manaos per pound 0.46-0.47, medium 0.44. Walnuts—Per pound. Chinese 0.28-0.30; U.S.: new crop 0.55-0.58. Filberts—Sicilian: per pound 0.32-0.34. Almonds—Ibiza: semi-soft per pound 0.45-0.49. Pecans—U.S.: per pound 0.85-0.90. Calabrese — Italian, per pound 0.32-0.36. Sprouts—Dutch: per pound 0.18-0.20. Cauliflowers—French: 8's 3.00-3.50. Cucumbers—Canary: tray 3.80-4.00; Greek: 3.00-3.20. Celery—Israeli: 20's 5.50-5.80; Italian: 20/24's 4.80-6.00; Spanish: 5.00-5.40. Parsley—Jersey: crates 5.50-6.00. Sweet Potatoes—Israeli, 22 lb 7.00; Egyptian, 33 lb 9.50. New Potatoes—Italian: 20 lb 4.00; Canary: 28 lb 6.00-6.20.

INDICES

FINANCIAL TIMES

Dec. 28	Dec. 22	M'th ago	Y'ar ago
296.50	295.22	288.05	289.02

(Base: July 1 1952=100)

REUTERS

Dec. 28	Dec. 23	M'th ago	Y'ar ago
1973.7	1970.4	1948.2	1582.8

(Base: September 18 1931=100)

MOODY'S

Dec. 22	Dec. 21	M'th ago	Yearago
1060.6	1066.2	1013.0	1005.5

(December 31 1931=100)

DOW JONES

Dow Jones	Dec. 22	Dec. 21	Month ago	Year ago
Spot	139.92	139.02	133.20	134.44
Fut's	142.52	141.36	141.69	140.62

(Base: December 31 1974=100)

AMERICAN MARKETS

NEW YORK

ALUMINIUM 40,000 lb, cents/lb

	Close	High	Low	Prev
March	77.00	77.25	76.90	77.40
May	77.80	77.95	77.70	78.15
July	78.60	78.95	78.80	79.16
Sept	79.60	79.90	79.76	80.15
Dec	81.10	—	—	81.65
Jan	81.60	—	—	82.15
March	82.60	—	—	83.15
May	83.60	—	—	84.15
July	84.60	—	—	85.15
Sept	85.60	—	—	86.15

COPPER 25,000 lb, cents/lb

	Close	High	Low	Prev
Jan	63.55	64.00	63.40	63.60
Feb	64.20	—	—	64.20
March	64.85	65.30	64.70	64.85
May	66.15	66.70	66.10	66.15
July	67.45	67.85	67.45	67.45
Sept	68.80	69.00	68.75	68.75
Dec	70.85	71.35	71.00	70.80
Jan	71.55	71.80	71.50	71.50
March	72.90	73.00	72.90	72.90

SUGAR WORLD "11" 112,000 lb, cents/lb

	Close	High	Low	Prev
Jan	6.61	7.10	6.60	6.85
March	8.01	8.15	7.99	8.10
May	8.36	8.52	8.35	8.47
July	8.68	8.82	8.66	8.76
Sept	8.88	9.00	8.88	9.07
Oct	9.07	9.22	9.05	9.12
Jan	9.58	9.66	9.68	9.87
March	10.05	10.10	10.06	10.18

CHICAGO

MAIZE 5,000 bu min, cents/56-lb bushel

	Close	High	Low	Prev
March	340.2	343.4	340.0	344.2
May	342.0	344.8	342.0	345.2
July	341.2	343.4	341.0	344.2
Sept	313.0	314.0	312.2	315.0
Dec	294.6	296.2	294.0	296.0
March	305.4	306.2	304.2	306.6
May	311.4	312.6	311.4	313.0

SOYABEANS 5,000 bu min, cents/60-lb bushel

	Close	High	Low	Prev
Jan	811.0	822.0	808.0	823.0
March	829.4	839.6	828.0	843.0
May	841.0	850.0	837.0	852.2
July	845.4	853.0	841.0	854.4
August	832.4	838.0	830.0	837.0
Sept	769.0	773.0	767.0	773.0
Nov	718.6	723.0	716.0	719.4
Jan	731.0	734.0	730.0	732.0
March	744.0	745.0	742.0	745.0

Consumer spending 'to decline'

By David Churchill, Consumer Affairs Correspondent

CONSUMER spending will slow next year, according to a report published today by Staniland Hall Associates, economic forecasters.

It is expected to decline from a rate of growth at constant prices of 3.75 per cent this year to about 2.25 per cent next year.

"Incomes are expected to rise a little faster, thanks to steadier employment and no more than a slight downturn in average earnings," the forecasters say.

"At the same time, at least a temporary end is likely to the fall in the savings ratio that has helped to sustain spending over the past two years."

Staniland Hall say that part of the boom in spending on consumer durables in the last few years has been due to consumers using funds earmarked for extra mortgages, but used to buy durables.

Over the next two years, that factor is expected to lessen, "leading to a marked but not precipitate decline in the rate of growth of spending on durables."

New car registrations are also expected to decline from a peak of 1.8m this year and not to reach it again until 1987.

TWA spin-off approved

NEW YORK — Trans World shareholders approved the spin-off of the company's Trans World Airlines subsidiary through a stock distribution.

Shareholders of record on December 28 will receive shares of Trans World Airlines on February 1.

The actual rate of distribution has not been set but it is expected that common shareholders will receive 0.93 share of TWA for each Trans World share held. Holders will also receive about 0.36 share of TWA preference stock. A total of 26.15m shares of TWA common and 10m shares of TWA preference stock will be distributed to Trans World holders under the spin-off.

Trans World will continue to operate its hotel, food and real estate service operations. The airline will become a separate independent entity.

AP-DJ

Million visitors to new sights

MORE THAN a million visitors were attracted to 43 attractions opened in England in 1982, according to Sightseeing in 1982, just published by the English Tourist Board. The most popular newcomer was Tower Bridge (285,000 visits) followed by Fort Newhaven (160,000) and the Pleasurewood Hills Family Leisure Park in Suffolk (140,000).

Their success meant that although there was a drop in visits to established attractions there was no change in sightseeing overall. In total there were about 161m visits to 2,291 attractions in England.

1,000 apply to be 'cultural diplomats'

UNEMPLOYED and retired people are among more than 1,000 applicants seeking to be British "cultural diplomats" overseas as part of a British Council award scheme.

To mark its 50th anniversary next year the council offered 15 travel awards in collaboration with British Airways and British Caledonian.

Applicants were asked to suggest practical projects to help improve Britain's image overseas. Each award will be worth up to £1,000 and enable the winner to stay overseas for up to three months. Return air fares will be provided by the airlines. The winners' names will be announced in the spring.

Michelin recruiting up to 200 workers

THE Michelin Tyre Company at Stoke-on-Trent has started recruiting up to 200 production workers. Most of the jobs have been created by the factory's modernisation programme and because workers have volunteered to produce tyres seven days a week.

The proposal for seven-day working sparked a strike at the factory before enough workers volunteered.

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar soft in quiet trade

The dollar was soft in very quiet end of year foreign exchange trading. In some cases it was higher than Tuesday's New York closing levels, but below the Friday London finish on speculation about lower U.S. interest rates.

Minutes of the November Federal Open Market Committee meeting showed no tightening of U.S. monetary policy, and the general consensus was that the December meeting also kept the monetary reins steady. This, coupled with a larger than expected fall of $2bn in U.S. M1 money supply figures published Friday, gave the dollar a slightly softer tone. The drift down from pre-Christmas levels was also encouraged by a fall in the Federal funds overnight rate to 9 per cent on Tuesday from the previous general level of about 9¼ per cent, and a decline in Eurodollar interest rates.

Market volume was very thin however, with major banks absent from trading after squaring off their books ahead of the new year.

The dollar fell to DM 2.7515, from DM 2.7570 in London on Friday, but improved slightly from Tuesday's New York close of DM 2.74925, and to FFr 8.42 from FFr 8.4375 (FFr 8.41875 in New York); SwFr 2.1875 from SwFr 2.1955 (SwFr 2.1870); and Y233.30 from Y233.70 (Y233.70). Its trade-weighted index on Bank of England figures fell to 130.1 from 130.3.

STERLING — Trading range against the dollar in 1983 is 1.6245 to 1.4140. November average 1.4773. Trade-weighted index was unchanged throughout at 82.5, compared with 84.1 six months ago.

Sterling rose 20 points to $1.4345-1.4355, supported by firmer spot oil prices as freezing weather in the U.S. reduced pressure on the British National Oil Corporation to cut the price of North Sea crude. The pound opened at $1.4340-1.4350, and traded within a range of $1.4300 to $1.4390.

Sterling was unchanged at DM 3.95, and Y335, but eased slightly to FFr 12.08 from FFr 12.0850, and to SwFr 3.1425 from SwFr 3.1450.

D-MARK — Trading range against the dollar in 1983 is 2.7780 to 2.3320. November average 2.6847. Trade weighted index 124.4 against 128.0 six months ago.

Trading was extremely quiet in Frankfurt yesterday and the dollar was fixed at DM 2.7538 compared with DM 2.7592 previously. The fixing level was higher than an opening of DM 2.7480 with the lower rate encouraging some squaring of year end positions. The Bundesbank sold just over $21m at the fixing but was not active in the open market. Sterling was also a little weaker at DM 3.9500 from DM 3.9510 while the Swiss franc improved to DM 1.2583 from DM 1.2575. Within the EMS the Belgian franc slipped to DM 4.9020 per BFr 100 from DM 4.9050 and the Dutch guilder to DM 88.925 per Fl 100 compared with DM 88.99. The French franc was unchanged at DM 32.695 per FFr 100.

BELGIAN FRANC—Trading range against the dollar in 1983 is 56.56 to 45.90. November average 54.53. Trade weighted index 89.2 against 92.7 six months ago.

There was no intervention by the Belgian central bank in the week up to last Monday in foreign exchange markets. This is the second week running that the authorities have not given any support to the Belgian franc and reflects a reduction in volume over the Christmas period and a slightly easier dollar trend. The Belgian franc remained weak within the EMS however.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU December 28	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9008	46.0429	+2.54	+1.86	±1.5447
Danish Krona ...	8.14104	8.18118	+0.49	−0.19	±1.6425
German D-Mark	2.24184	2.25695	+0.67	−0.01	±1.0642
French Franc ...	6.87456	6.90121	+0.39	−0.29	±1.4052
Dutch Guilder ...	2.52595	2.53819	+0.48	−0.20	±1.4964
Irish Punt	0.72569	0.727885	+0.30	−0.38	±1.6698
Italian Lira	1403.49	1370.05	−2.38	−2.38	±4.1505

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

£ in New York—Latest

	Dec. 28	Previous
Spot	$1.4360-4370	$1.4345-4355
1 month	0.11-0.14 dis	0.14-0.17 dis
3 months	0.30-0.34 dis	0.31-0.35 dis
12 months	0.90-1.00 dis	0.95-1.05 dis

£ forward rates are quoted in U.S. cents discount.

THE POUND SPOT AND FORWARD

Dec 28	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.4300-1.4390	1.4345-1.4355	0.11-0.16c dis	−1.13	0.30-0.35dis	−0.90
Canada	1.7780-1.7885	1.7865-1.7876	par-0.10c dis	−0.33	0.18-0.28dis	−0.51
Nethlnd.	4.41½-4.45¾	4.43½-4.44½	1⅞-1c pm	3.38	3¾-3⅝ pm	3.15
Belgium	80.20-80.65	80.55-80.65	5-15c dis	−1.49	30-40 dis	−1.74
Denmark	14.28-14.34	14.30-14.31	1½-2½ore dis	−1.68	3¼-4⅝ dis	−1.12
Ireland	1.2700-1.2780	1.2710-1.2725	0.30-0.42p dis	−3.40	0.80-0.95dis	−2.75
W. Ger.	3.92¾-3.96¼	3.94½-3.95½	1¼-⅜pf pm	3.04	3¼-2¾ pm	3.04
Portugal	189.90-191.85	191.00-191.50	125-310c dis	−13.65	460-970dis	−14.95
Spain	225.30-226.70	225.40-225.60	145-185c dis	−8.74	515-580 dis	−9.67
Italy	2,386¾-2,402	2,398½-2,400½	14-18 lire dis	−7.50	46-49 dis	−7.92
Norway	11.08½-11.15	11.12-11.13	3⅞-4½ore dis	−4.38	9½-10⅜ dis	−3.57
France	12.02-12.12	12.07½-12.08½	3-4c dis	−3.48	12¼-13¾dis	−4.30
Sweden	11.50-11.59	11.54¾-11.55¾	2⅞-3⅞ore dis	−3.05	6⅞-7⅞ dis	−2.51
Japan	333¼-336¼	334½-335½	0.81-0.73y pm	2.76	2.31-2.17 pm	2.67
Austria	27.72-27.89	27.80-27.85	7⅛-5⅞gro pm	2.78	22½-17½ pm	2.87
Switz.	3.12-3.15	3.13¾-3.14¾	1½-1c pm	4.77	4-3½ pm	4.77

Belgian rate is for convertible francs. Financial franc 81.80-81.90. Six-month forward dollar 0.45-0.50c dis, 12-month 0.92-1.02c dis.

THE DOLLAR SPOT AND FORWARD

Dec 28	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.4300-1.4390	1.4345-1.4355	0.11-0.16c dis	−1.13	0.30-0.35dis	−0.90
Ireland†	1.1250-1.1290	1.1270-1.1280	0.25-0.20c pm	2.39	0.60-0.50 pm	1.95
Canada	1.2440-1.2465	1.2450-1.2455	0.08-0.06c pm	0.67	0.12-0.10 pm	0.35
Nethlnd.	3.0900-3.0960	3.0920-3.0940	1.20-1.10c pm	4.46	3.20-3.05 pm	4.04
Belgium	56.10-56.20	56.15-56.17	2c pm-3 dis	−0.11	8-13 dis	−0.75
Denmark	9.96½-9.99	9.97-9.97½	par-½ore dis	−0.30	par-½ dis	−0.10
W. Ger.	2.7460-2.7560	2.7510-2.7520	0.97-0.02pf pm	4.12	2.72-2.67 pm	3.92
Portugal	132.95-133.45	133.15-133.45	80-200c dis	−12.60	300-650dis	−14.24
Spain	157.60-157.90	157.65-157.75	105-135c dis	−9.12	335-385 dis	−9.12
Italy	1,670-1,673	1,672-1,673	9-8 lire dis	−6.10	28¾-29¾dis	−6.88
Norway	7.7520-7.7800	7.7525-7.7575	1.90-2.40ore dis	−3.33	5.30-5.80dis	−2.86
France	8.4060-8.4450	8.4175-8.4225	1.55-1.80c dis	−2.39	6.90-7.50dis	−3.42
Sweden	8.0500-8.0575	8.0500-8.0550	½-1½ore dis	−1.49	2½-3½ dis	−1.49
Japan	233.00-233.75	233.25-233.35	0.75-0.71y pm	3.78	2.08-2.00 pm	3.50
Austria	19.38½-19.43	19.40½-19.41½	6¼-6gro pm	3.84	18½-16½ pm	3.61
Switz.	2.1825-2.1900	2.1870-2.1880	1.18-1.08c pm	6.20	3.28-3.18 pm	5.91

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 57.03-57.08.

OTHER CURRENCIES

Dec. 28	£	$		£ Note Rates
Argentina Peso...	32.76-32.84	22.857-22.877	Austria	27.75-28.05
Australia Dollar...	1.5945-1.5995	1.1115-1.1135	Belgium	81.20-82.00
Brazil Cruzeiro...	1,385.3-1,393.4	966-971	Denmark	14.23-14.37
Finland Markka...	8.3985-8.4215	5.8600-5.8650	France	12.02-12.14
Greek Drachma...	142.00-142.60	99.00-99.50	Germany	3.92¼-3.96¼
Hong Kong Dollar	11.15¾-11.16¾	7.7780-7.7810	Italy	2380-2410
Iran Rial	125.75*	88.50*	Japan	334-339
Kuwait Dinar (KD)	0.4195-0.4205	0.29274-0.29284	Netherlands	4.41¼-4.45¼
Luxembourg Fr.	80.55-80.65	56.15-56.17	Norway	11.08-11.18
Malaysia Dollar...	3.3520-3.3580	2.3370-2.3395	Portugal	185-203
New Zealand Dlr.	2.1800-2.1975	1.5330-1.5365	Spain	224¼-233
Saudi Arab. Riyal	5.0190-5.0235	3.5000-3.5005	Sweden	11.51-11.61
Singapore Dollar	3.0460-3.0540	2.1250-2.1280	Switzerland	3.12½-3.15½
Sth. African Rand	1.7500-1.7520	1.2195-1.2210	United States	1.42½-1.44½
U.A.E. Dirham...	5.2655-5.2710	3.6720-3.6730	Yugoslavia	202-222

* Selling rates.

CURRENCY MOVEMENTS

Dec. 28	Bank of England Index	Morgan Guaranty Changes%
Sterling	82.5	−8.1
U.S. dollar	130.1	+17.9
Canadian dollar	92.2	+0.5
Austrian schilling	114.3	+2.9
Belgian franc	89.2	−12.1
Danish kroner	78.2	−6.1
Deutsche mark	124.4	+6.9
Swiss franc	151.5	+14.4
Guilder	114.2	+4.0
French franc	66.0	−16.6
Lira	48.8	−12.1
Yen	156.4	+12.7

Morgan Guaranty changes: average 1980-1982=100. Bank of England index (base average 1975=100).

CURRENCY RATES

Dec. 28	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.726841	0.571602
U.S. $	8½	1.04229	0.819963
Canadian $	10.04	*	1.02085
Austria Sch	3¾	20.2402	15.9155
Belgian F	10	58.5116	46.0489
Danish Kr.	7	10.4073	8.18118
D mark	4	2.87026	2.25695
Guilder	5	3.22328	2.53819
French F.	9½	8.77191	6.90121
Lira	17	1742.45	1370.05
Yen	5	243.583	191.643
Norwgn Kr.	8	8.08817	6.35881
Spanish Pta	—	164.515	129.431
Swedish Kr	8½	8.39252	6.60111
Swiss Fr	4	2.28105	1.79326
Greek Dr'ch	20½	103.604	81.3895

*C$/SDR rate for Dec. 27: not available.

EXCHANGE CROSS RATES

Dec. 28	Pound St'rling	U.S. Dollar	Deutschem'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.435	3.950	335.0	12.08	3.143	4.440	2400.	1.787	80.60
U.S. Dollar	0.697	1.	2.752	233.3	8.420	2.188	3.094	1672.	1.245	56.16
Deutschemark	0.253	0.363	1.	84.81	3.058	0.795	1.124	607.5	0.452	20.41
Japanese Yen 1,000	2.985	4.284	11.79	1000.	36.06	9.381	13.25	7163.	5.334	240.6
French Franc 10	0.828	1.188	3.270	277.3	10.	2.601	3.675	1986.	1.479	66.72
Swiss Franc	0.318	0.457	1.257	106.6	3.844	1.	1.413	763.6	0.569	25.65
Dutch Guilder	0.225	0.323	0.890	75.45	2.721	0.708	1.	540.4	0.402	18.15
Italian Lira 1,000	0.417	0.598	1.646	139.6	5.034	1.310	1.850	1000	0.745	33.59
Canadian Dollar	0.560	0.803	2.210	187.5	6.760	1.759	2.485	1343.	1.	45.10
Belgian Franc 100	1.241	1.780	4.901	415.5	14.99	3.899	5.509	2977.	2.217	100.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Dec. 28	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Kroner
Short term	9-9⅛	9-9¼	9-9⅛	5⅜-5⅞	1-1¼	5¹¹⁄₁₆-5⅝	12¼-12½	16-17	9½-10	9½-10	6⅜-6½	9⅝-9⅞
7 day's notice	9 1/16-9 3/16	9⅛-9⅜	9-9½	5⅞-6	8⅝-8⅞	7¼-7⅜	12¼-12½	13-16½	10-10½	10-10½	6 1/16-6 3/16	13⅝-14⅜
Month	9⅛-9 3/16	9⅞-10⅛	9¼-9½	5⅞-6	3 11/16-4 1/16	5 11/16-6 1/16	12⅛-12⅜	15¾-16¾	10¼-10¾	10⅜-10⅝	6¼-6⅜	11⅛-11⅝
Three months	9 5/16-9⅜	9⅞-10⅛	9⅝-9⅞	6 1/16-6 3/16	3 11/16-4 1/16	6 1/16-6 3/16	13¼-13½	16⅞-17½	10¾-11⅛	10⅞-11⅛	6⅜-6½	11¼-11¾
Six months	9 5/16-9⅜	10⅛-10⅜	9¾-10	6¼-6⅜	4 1/16-4 3/16	6¼-6⅜	14⅛-14⅜	17⅝-18¼	11-11½	11-11¼	6⅜-6½	11-11½
One Year	9⅞-9 15/16	10¼-10½	10-10¼	6⅜-6⅝	4-4⅛	6 5/16-6⅜	14⅜-14⅝	17⅞-18½	11-11½	11⅛-11⅜	6½-6⅝	11 3/16-11 5/16

Asian $ (closing rates in Singapore): Short-term 9-9⅛ per cent; seven days 11-12 per cent; one month 10⅛-10¼ per cent; three months 10⅛-10¼ per cent; six months 10¼-10⅜ per cent; one year 10½-10⅝ per cent. Long-term Eurodollars two years 11¼-11½ per cent; three years 11⅝-12 per cent; four years 12-12¼ per cent; five years 12¼-12½ per cent nominal closing rates. Short-term rates are call for U.S. dollars and Japanese yen; others two days' notice.

FINANCIAL FUTURES

Quiet trading

Euro-dollar prices were virtually unchanged in the London International Financial Futures Exchange yesterday. Sentiment was buoyed initially by a firmer tone to U.S. prices on Tuesday as the market reacted to a low Federal funds rate, below 9 per cent, and receding fears of higher U.S. interest rates.

The latter was influenced by the latest set of Federal Open Market Committee minutes which indicated an unchanged stance on credit policies. The market had been anxious that continued signs of economic expansion in the U.S. would force the Fed to tighten credit policies. However the latest U.S. GNP figures have helped to reduce long-term fears over higher interest rates. In the short term the scope for low U.S. rates may be limited however in view of the Fed's continued refunding requirements. The March Eurodollar price opened at 89.92 unchanged from Friday but improved to touch a best level of 89.99 before coming back to finish at 89.91.

Gilt prices finished lower on the day after a firm start. Values rose in early trading on a firmer tone in the U.S. bond market and a favourable reaction to the recent four-year note auction. However there remained some concern about the approaching seven-year note auction and a rise in Fed funds.

LONDON

THREE-MONTH EURODOLLAR
$1m points of 100%

	Close	High	Low	Prev
March	89.91	89.99	89.89	89.92
June	89.58	89.66	89.58	89.51
Sept	89.33	89.40	89.31	89.25
Dec	89.10	89.10	89.02	89.00
March	88.90	—	—	88.80

Volume 1,900 (337)
Previous day's open int 8,809 (8,836)

THREE-MONTH STERLING DEPOSIT
£250,000 points of 100%

	Close	High	Low	Prev
March	90.53	90.58	90.53	90.50
June	90.38	90.43	90.38	90.36
Sept	90.12	90.18	90.12	90.12
Dec	90.06	—	—	90.02

Volume 473 (608)
Previous day's open int 5,049 (5,158)

20-YEAR 12% NOTIONAL GILT
£50,000 32nds of 100%

	Close	High	Low	Prev
Dec	110-25	111-02	110-25	110-18
March	109-16	110-02	109-16	109-20
June	109-00	—	—	109-05
Sept	108-20	—	—	108-24
Dec	108-06	—	—	108-11

Volume 947 (677)
Previous day's open int 2,833 (2,944)
Basis quote (clean cash price of 13¼% Treasury 2003 less equivalent price of March contract) 42 to 54 (32nds).

STERLING £25,000 $ per £

	Close	High	Low	Prev
March	1.4383	1.4385	1.4370	1.4320
June	1.4400	—	—	1.4337
Sept	1.4425	—	—	1.4367

Volume 78 (nil)
Previous day's open int 2,229 (2,229)

DEUTSCHE MARKS DM 125,000
$ per DM

	Close	High	Low	Prev
March	0.3665	0.3667	0.3663	0.3649
June	0.3699	—	—	0.3682
Sept	—	—	—	—

Volume 51 (10)
Previous day's open int 244 (254)

SWISS FRANCS SwFr 125,000
$ per SwFr

	Close	High	Low	Prev
March	0.4625	0.4625	0.4619	0.4595
June	0.4698	—	—	0.4665
Sept	—	—	—	—

Volume 1 (nil)
Previous day's open int 81 (81)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
March	0.4318	0.4318	0.4310	0.4307
June	0.4358	—	—	0.4347
Sept	—	—	—	—

Volume 10 (124)
Previous day's open int 284 (224)

CHICAGO

U.S. TREASURY BONDS (CBT)
8% $100,000 32nds of 100%

	Latest	High	Low	Prev
March	70-03	70-10	70-01	70-13
June	69-16	69-24	69-15	69-27
Sept	68-31	69-07	68-31	69-10
Dec	68-16	68-24	68-16	68-27
March	68-02	68-09	68-02	68-13
June	67-26	67-29	67-23	68-01
Sept	67-16	67-19	67-14	67-23
Dec	67-07	67-10	67-05	67-14

U.S. TREASURY BILLS (IMM)
$1m points of 100%

	Latest	High	Low	Prev
March	90.75	90.78	90.71	90.79
June	—	90.44	90.39	90.45
Sept	—	90.15	90.14	90.19
Dec	89.10	89.10	89.10	89.12
March	89.65	89.67	89.65	89.69
June	89.43	89.45	89.43	89.47
Sept	89.28	—	89.28	89.29
Dec	89.10	—	89.10	89.12

CERT. DEPOSIT (IMM)
$1m points of 100%

	Latest	High	Low	Prev
Dec	90.22	90.22	90.20	90.30
March	90.04	90.14	90.01	90.10
June	—	89.72	89.64	89.70
Sept	89.35	89.38	89.34	89.37
Dec	—	—	—	—
March	—	—	—	—
Sept	77.60	77.75	77.30	77.10

THREE-MONTH EURODOLLAR (IMM)
$1m points of 100%

	Latest	High	Low	Prev
March	89.63	89.69	89.59	89.65
June	—	89.36	89.25	89.30
Sept	89.00	89.05	88.99	89.01
Dec	88.74	88.78	88.73	88.75
March	—	88.48	88.48	88.50
June	—	—	—	—

STERLING (IMM) $e per £

	Latest	High	Low	Prev
March	1.4395	1.4405	1.4370	1.4390
June	1.4415	1.4420	1.4390	1.4400
Sept	1.4440	1.4440	1.4415	1.4420
Dec	1.4460	1.4460	1.4440	1.4440
March	1.4480	1.4480	1.4460	1.4460

GNMA (CBT) 8% $100,000
32nds of 100%

	Latest	High	Low	Prev
March	68-16	68-21	68-14	68-23
June	67-15	67-10	67-13	67-22
Sept	66-19	66-23	66-19	66-25
Dec	65-29	65-30	65-27	66-01
March	—	—	—	—
June	—	—	—	64-27
Sept	—	—	—	64-13
Dec	63-29	63-30	63-27	64-07
March	—	—	—	—
June	67-15	67-19	67-13	67-22
Sept	—	—	—	—

MONEY MARKETS

Easier tone in London

Interest rates had a slightly softer tone on the London money market yesterday, but the overall picture was little changed in very quiet trading. Discount houses buying rates for three-month eligible bank bills eased to 8⅞ per cent from 8 15/16 per cent, while three-month interbank money was quoted at 9⅜-9½ compared with 9⅜-9 7/16 per cent on Friday. Sentiment was encouraged by the steady performance of sterling on the foreign exchanges, and the better trend on Wall Street overnight, thanks to hopes of lower U.S. interest rates.

UK clearing banks' base lending rate 9 per cent (since October 4 and 5)

The Bank of England forecast a market shortage of about £400m. Bills maturing in official hands, repayment of late assistance, and a take-up of Treasury bills from Friday's tender drained £597m, but was partly offset by Exchequer transactions adding £20m to liquidity, and a fall in the note circulation of £192m.

Later in the day the shortage was revised down to £350m, and total help provided by the authorities was £399m.

Before lunch the Bank of England bought £315m bills by way of £11m bank bills in band 1 (up to 14 days maturity) at 9 1/16 per cent; £77m bank bills in band 2 (15-33 days) at 9 per cent; £41m bank bills in band 3 (34-63 days) at 8 15/16 per cent; and £186m bank bills in band 4 (64-91 days) at 8⅞ per cent.

In the afternoon another £49m bills were purchased through £1m bank bills in band 1 at 9 1/16 per cent; £17m bank bills in band 2 at 9 per cent; £6m bank bills in band 3 at 8 15/16 per cent; and £25m bank bills in band 4 at 8⅞ per cent.

The authorities also provided late assistance of around £35m.

In Frankfurt banks continued to borrow heavily against the Lombard facility to meet end of the month reserve requirements. Lombard debt was high at DM 9.4bn on Tuesday, compared with DM 9.5bn on Friday, while call money was firm at 5.55-5.60 per cent. The major reason for tighter liquidity yesterday was a round of pension payments.

MONEY RATES

Dec. 28	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight	5.50-5.55	12⅝	13¾-14¼	5⅜-5⅝	6.46875	17½-17⅞	9.95	12-12¼
One month	6.4-6.6	12⅛-12¼	4⅛-4¼	5⅞-6	6.34375	17⅝-17¾	10⅝-10⅝	12-12¼
Two months	6.5-6.5	12 7/16-12 9/16	—	—	—	—	—	12-12¼
Three months	6.5-6.5	12 11/16-12 13/16	4⅛-4¼	6⅛-6¼	6.28125	17⅝-18	10⅞-11⅛	12-12¼
Six months	6.5-6.5	12⅞-12 15/16	—	6¼-6⅜	—	—	10⅞-11¼	12⅜-12⅝
Lombard	5.5	—	—	—	—	—	—	—
Intervention	—	12	—	5⅞	—	—	—	—

LONDON MONEY RATES

Discount Houses Deposit and Bill Rates

Dec. 28 1983	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	8-9¼	9-9⅛	9⅛	8-9	—	—	—	—	—
2 days notice	—	—	9-9⅛	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 day notice	—	9 1/16-9 3/16	9⅛-9¼	9¼	9-9 1/16	—	—	—	—	—
One month	9 3/16-9⅛	9⅛-9¼	9⅛	9⅜-9 7/16	9	9	8 15/16	9	8 15/16-8 31/32	9⅝
Two months	9 5/16-9 7/16	9¼-9⅜	9¼	9⅛	9-9 1/16	8 13/16	8 29/32	8 15/16	8⅞	9 7/16
Three months	9 5/16-9¼	9⅜-9½	9⅜	9⅜-9¾	9-9⅛	8⅞	8 13/16	8⅞	8⅞	9½
Six months	9 7/16-9⅜	9 7/16-9¾	9½	—	—	—	—	9	8 15/16-8 31/32	9⅝
Nine months	9 11/16-9⅝	9 11/16-9⅞	9¾	—	—	—	—	—	—	—
One year	9⅝-9 11/16	9 15/16-10	9¾	—	—	—	—	—	—	—

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Certs of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	9¾-9½	—	9¼	9.90-10.00	9-9⅛	8 13/16-9 7/16
Two months	9¾-9½	—	9¼	9.88-10.00	9-9⅝	9-9⅜
Three months	9¾-9⅜	—	9⅜	9.85-9.95	9 1/16-9 7/16	9 3/16-9 7/16
Six months	9⅛-9¼	—	9⅜	9.85-9.95	9¼-9⅝	9 7/16-9 11/16
Nine months	10-9¾	—	9⅞	10.15-10.50	—	—
One year	9⅞-9⅝	—	10	10.5-10.4	9 7/16-9 11/16	9⅝-10
Two years	—	10⅜	—	—	—	—
Three years	—	10¾	—	—	—	—
Four years	—	11	—	—	—	—
Five years	—	11¼	—	—	—	—

ECGD Fixed Rate Export Finance Scheme IV Average Rate for interest period November 2 to December 6 1983 (inclusive) 9.350 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rates (published by the Finance Houses Association): 9½ per cent from December 1 1983. London and Scottish Clearing Bank Rates for lending 9 per cent. London Deposit Rates for sums at seven day's notice 6¾ per cent. Treasury Bills: Average tender rate of discount 8.8613 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held under one month 9½ per cent; one-three months 9½ per cent; three-six months 9¾ per cent; six-12 month 10¼ per cent. Under £100,000 9⅛ per cent from December 14. Deposits held under Series 4-5 10 per cent. The rate for all deposits withdrawn for cash 8 per cent.

FT LONDON INTERBANK FIXING

LONDON INTERBANK FIXING
11.00 a.m. December 28)

3 months U.S. dollars

bid 10	offer 10 1/8

6 months U.S. dollars

bid 10 5/16	offer 10 5/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK (Lunchtime)

Prime rate	11
Broker loan rate	10½
Fed funds	9⅞
Fed funds at intervention	9⅝

Treasury Bills

One month	8.175
Two month	8.625
Three month	8.98
Six month	9.76
One year	9.23

Treasury Bonds

Two year	100⅛
Three year	99⅞
Four year	99⅝
Five year	99¼
Seven year	98 15/16
10 year	99 21/32
30 year	101⅞

LEGAL NOTICES

No. 004721 of 1983
IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
IN THE MATTER OF
HOOVER PLC
AND IN THE MATTER OF
THE COMPANIES ACT, 1948

NOTICE IS HEREBY GIVEN that the Order of the High Court of Justice, Chancery Division dated the 19th day of December 1983 confirming the reduction of the capital of the above-named Company from £5,009,993 to £2,905,944 and the Minute approved by the Court showing with respect to the share capital of the Company, as altered, the several particulars required by the above Act, were registered by the Registrar of Companies on the 22nd day of December 1983.

Dated the 22nd day of December 1983.

FRESHFIELDS
of Grindall House,
25 Newgate Street,
London EC1A 7LH.
Solicitors for the said Company.

PERSONAL

APPOINTMENTS

CLUBS

APPOINTMENTS WANTED

COMPANY NOTICES

FRIESCH-GRONINGSCHE HYPOTHEEKBANK N.V.

U.S.$ 20,000,000
Floating Rate Notes due 1987

In accordance with the provisions of the Notes, notice is hereby given that for the interest period from December 23, 1983 to March 23, 1984 the Notes will carry an interest rate of 10⅞ % per annum.

The interest payable on the relevant interest payment date, March 23, 1984 against coupon n°8 will be U.S.$ 137.45 per Note.

Agent Bank
KREDIETBANK
S.A. LUXEMBOURGEOISE

NOTICE TO MEMBERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) IN
THE NISSHIN OIL MILLS, LTD.

Further to our notice of September 23, 1983, EDR holders are informed that Nisshin Oil Mills has paid a dividend to holders of record September 30, 1983. The cash dividend payable is Yen 3.5 per Common Stock of Yen 50.00 per share. Pursuant to the Terms and Conditions, the Depositary has converted the net amount, after deduction of Japanese withholding taxes, into United States Dollars.
EDR holders may now present Coupon No. 1 for payment to the undermentioned agents.
Payment of the dividend with a 15% withholding tax is subject to receipt by the Depositary or the Agent of a valid affidavit of residence in a country having a tax treaty or agreement with Japan giving the benefit of the reduced withholding rate. Countries currently having such arrangements are as follows:

A.R. of Egypt	F.R. of Germany	The Netherlands	Spain
Australia	Finland	New Zealand	Sweden
Belgium	France	Norway	Switzerland
Brazil	Hungary	Rep. of Korea	United Kingdom
Canada	Ireland	Romania	U.S. of America
Czechoslovakia	Italy	Singapore	Zambia
Denmark	Malaysia		

Failing receipt of a valid affidavit Japanese withholding tax will be deducted at the rate of 20% on the gross dividend payable. The full rate of 20% will also be applied to any dividends unclaimed after April 30, 1984.
Amounts payable in respect of current dividends.

Coupon No. 1 EDR denomination	Gross Dividend	Dividend payable less 15% Japanese withholding tax	Dividend payable less 20% Japanese withholding tax
1,000 shares	$14.83	$12.60	$11.86

Further to the notice of September 23, concerning the free distribution of shares (1 new for each 10 old), EDR holders are informed that the new shares are now available for delivery and should be claimed by presenting Coupon No. 2 to the Depositary or the Agent. EDRs will only be issued in Authorised Denominations of 1,000 shares, therefore any EDR holder not able to present coupons making-up an Authorised Denomination will receive the net proceeds of the sale of their entitlement in United States Dollars pursuant to Condition 5 of the Terms and Conditions.

Depositary:
Citibank, N.A.
336, Strand, London WC2R 1HB.

Agent:
Citibank (Luxembourg) S.A.
16 Avenue Marie Therese.

December 29, 1983.

MITSUBISHI ELECTRIC CORPORATION

BEARER DEPOSITARY RECEIPTS ISSUED BY MORGAN GUARANTY TRUST COMPANY OF NEW YORK

A distribution of $1.26 per depositary share less any applicable taxes will be payable on or after December 23, 1983 upon presentation of coupon No. 26 at any of the following offices:
—MORGAN GUARANTY TRUST COMPANY OF NEW YORK:
New York, 30, West Broadway
London, 1, Angel Court
Brussels, 35, avenue des Arts
Paris, 14, Place Vendôme
Frankfurt, 46, Mainzer Landstrasse
—CREDIT INDUSTRIEL D'ALSACE ET DE LORRAINE
Grand'Rue, 103, Luxembourg
Net rate:
$1.071 under deduction of 15% Japanese withholding tax; $1.008 under deduction of 20% Japanese withholding tax.

ASAHI CHEMICAL INDUSTRY LIMITED

BEARER DEPOSITARY RECEIPTS ISSUED BY MORGAN GUARANTY TRUST COMPANY OF NEW YORK

A distribution of $0.254 per depositary share less any applicable taxes will be payable on or after December 23, 1983 upon presentation of coupon No. 19 at any of the following offices:
—MORGAN GUARANTY TRUST COMPANY OF NEW YORK:
New York, 30, West Broadway
London, 1, Angel Court
Brussels, 35, avenue des Arts
Paris, 14, Place Vendôme
Frankfurt, 46, Mainzer Landstrasse
—BANQUE GENERALE DU LUXEMBOURG, rue Aldringen, 14 Luxembourg
Net rate:
$0.2159 under deduction of 15% Japanese withholding tax; $0.2032 under deduction of 20% Japanese withholding tax.

GRUPO PLIANA, S.A.
(Incorporated in the United Mexican States)
US$40,000,000 FLOATING RATE NOTES DUE 1988

NOTICE IS HEREBY GIVEN that the Rate of Interest has been fixed at 11⅝% pa and that the interest payable on the relevant Interest Payment Date June 29, 1984 against Coupon No. 5 will be US$2,891.15 in respect of US$50,000 nominal of the Notes and US$294.11 in respect of US$5,000 of the Notes.

CITIBANK N.A.

By: Citibank, N.A.,
(C.S.S.I. Dept.),
Agent Bank
London.
December 29, 1983.

LEUMI INTERNATIONAL INVESTMENTS N.V.

U.S.$60 MILLION FLOATING RATE NOTES 1989 EXTENDABLE AT THE HOLDER'S OPTION TO 1992
(1st Issue)

The interest rate applicable to the above Notes in respect of the six month period commencing Thursday, 29th December, 1983, has been fixed at 10⅝% per annum.

The interest amounting to U.S.$54.01 per Bond of U.S.$1,000 nominal and to U.S.$540.10 per Bond of U.S.$10,000 nominal and to U.S.$5,401.04 per Bond of U.S.$100,000 nominal will be paid on Friday, 29th June, 1984 against presentation of Coupon No. 10.

BANK LEUMI TRUST COMPANY OF NEW YORK
Principal Paying Agent

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) IN
SUMITOMO ELECTRIC INDUSTRIES, LTD.

Further to our notice of September 23, 1983, EDR holders are informed that Sumitomo Electric Industries has paid a dividend to holders of record September 30, 1983. The cash dividend payable is Yen 3 per Common Stock of Yen 50.00 per share. Pursuant to Clause 8 of the Deposit Agreement the Depositary has converted the net amount, after deduction of Japanese withholding taxes, into United States Dollars.
EDR holders may now present Coupon No. 6 for payment to the undermentioned agents.
Payment of the dividend with a 15% withholding tax is subject to receipt by the Depositary or the Agent of a valid affidavit of residence in a country having a tax treaty or agreement with Japan giving the benefit of the reduced withholding rate. Countries currently having such arrangements are as follows:

A.R. of Egypt	F.R. of Germany	The Netherlands	Spain
Australia	Finland	New Zealand	Sweden
Belgium	France	Norway	Switzerland
Brazil	Hungary	Rep. of Korea	United Kingdom
Canada	Ireland	Romania	U.S. of America
Czechoslovakia	Italy	Singapore	Zambia
Denmark	Malaysia		

Failing receipt of a valid affidavit Japanese withholding tax will be deducted at the rate of 20% on the gross dividend payable. The full rate of 20% will also be applied to any dividends unclaimed after April 30, 1984.
Amounts payable in respect of current dividends.

Coupon No. 6 EDR denomination	Gross Dividend	Dividend payable less 15% Japanese withholding tax	Dividend payable less 20% Japanese withholding tax
1,000 shares	$12.71	$10.80	$10.16

Depositary:
Citibank N.A.,
336 Strand, London WC2R 1HB.

Agent:
Citibank (Luxembourg) S.A.
16 Avenue Marie Therese

December 29, 1983.

SVERIGES INVESTERINGSBANK AKTIEBOLAG

SDR 25,000,000 9% BONDS DUE 1985

Pursuant to the provisions of the Purchase Fund, notice is hereby given to Bondholders that no Bonds have been purchased for the Purchase Fund during the twelve-month period beginning December 1, 1982.
Amount outstanding:
SDR 20,786,000.
SVERIGES INVESTERINGSBANK AKTIEBOLAG
December 29, 1983.

60,000,000
EUROPEAN COMPOSITE UNITS
EUROPEAN INVESTMENT BANK

8% BONDS OF 1974, DUE 1989

NOTICE IS HEREBY GIVEN to Bondholders that in accordance with the terms and conditions of the above Bonds, the European Investment Bank has selected the Deutsche Mark as the currency to be utilised in respect of the payment of the interest due on January 18, 1984.

Any holder may, however, and following prescribed procedure, select not less than 15 days prior to the above-mentioned date, another currency of payment from among the possible currencies.

EUROPEAN INVESTMENT BANK

BANCO HISPANO AMERICANO S.A.

INTERNATIONAL DEPOSITARY RECEIPTS REPRESENTING BANCO HISPANO AMERICANO S.A. SHARES OF 500 PESETAS EACH

Banco Hispano Americano S.A. has declared a dividend of 50.40 Pesetas per share.

The Depositary will pay the equivalent proceeds in Sterling less taxes as applicable against presentation of Coupon No. 6 and will be payable from 3rd January 1985. Coupons should be presented at least three business days before payment is required.

MORGAN GUARANTY TRUST COMPANY OF NEW YORK
P.O. Box 161
Morgan House
1 Angel Court
London EC2R 7AE

ART GALLERIES

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TECHNOLOGY

EDITED BY ALAN CANE

MAN MADE YEAST STRAINS MAY LEAD TO IMPROVED PRODUCTION

Bugged beer is better bitter

BY STEPHANIE YANCHINSKI

BIOTECHNOLOGY is giving the ancient art of brewing a new lease of life. By experimenting with the sex life of yeast, scientists at Bass and Guinness are creating new strains to overcome difficult processing problems.

The work should also lead to a new range of "light" beer, and even help the brewers to move into new industries.

Dr Tony Portno, director of technical services at Bass, says that "although nothing is going to happen overnight, biotechnology is an area we can't afford to ignore."

The immediate objective, says Portno, is to use these new technologies to reduce costs and improve quality, while doing away with some of the additives necessary to prolong the life of beers.

Scientists have developed a technique called "rare mating" to produce new strains of yeasts which can clear worts of contaminating microbes, and prevent spoilage.

"Rare mating" is not genetic engineering in its true sense In this, the genetic structure

> Both Bass and Guinness have ventured into the unexplored territory of yeast engineering

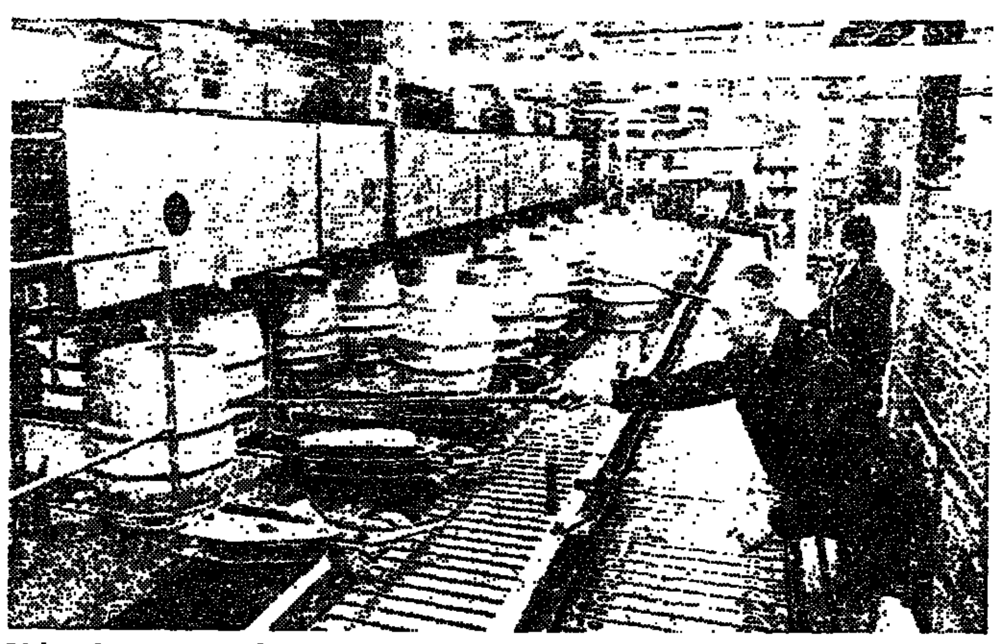
of yeasts is changed with gene-spliced molecules constructed in the test tube.

Rather, rare mating is a variation on standard yeast joining procedures. Normally, when yeast cells "mate," the contents of both the nucleus (which bears most of the cell's genetic material) and the cytoplasm (the watery material outside the nucleus) mingle and fuse.

The new "daughter" cell thus possesses a random combination of genetic material from both parents.

When, however, a conventional brewing strain pairs with a mutant whose nucleus will not fuse in the usual way, "rare mating" produces a much more ordered and predictable exchange of genes.

After pairing several industrial strains with these mutants, scientists grow the daughter cells as usual, and select a hybrid bearing the nucleus from one cell only. In this way the desired traits of a new variety can be programmed much more easily.



Lighter beers may be the result of rare mating of brewing yeasts but it may help brewers move into new industries

The Brewing Research Foundation, the British School of Malting and Brewing at the University of Birmingham, and Guinness's laboratories have already produced from rare matings what are called "killer" yeasts. These prevent infection by wild yeasts, which affect colour and flavour of the brew.

The hybrids manufacture a "killer" protein, zymocin, which "zaps" the more sensitive wild varieties while retaining most of the properties of a good beer. Government rules permit the industry to add sulphur dioxide or benzoates to preserve beer.

But, says Dr Roy Tubb, head of the genetic engineering research programme at the Brewing Research Foundation, "We are always searching for a more natural process."

For the breweries, such genetic modification offers a cheaper way of making "light" beers. It may eliminate the need to add another processing aid, amyloglucosidase.

This industrial enzyme breaks down dextrin, a product of the mash digestion which yeasts cannot handle, and yields more glucose for yeasts to digest. The resulting "light" brew has no fermentable carbohydrates left in the final beer, and is favoured by those on a diet and some diabetics.

Normally, such enzymes come from a fungus. But researchers have constructed new strains using rare mating which secrete amyloglucosidase naturally.

Both Bass and Guinness have also ventured into the unexplored territory of yeast genetic engineering. The companies have focused their attention on isolating and inserting into bacteria the gene for the enzyme, beta gluconase.

This is the first step toward doing the same thing in industrial yeasts. Beta gluconase breaks down a sticky gum present in barley malt which causes beer hazing.

Dr Tubb of the Brewing Research Foundation predicts that new "light" beers will not bring big commercial benefits to brewing companies. Indeed, they will "illustrate the potential of these new technologies."

More important, he thinks, for the long term economic future of the business, is that yeasts can be constructed to feed on a wider range of feedstuffs, giving the brewer greater flexibility in one of the most costly steps of the process.

Dr Portno of Bass points out that brewers can save cash by moving some of the processing steps "downstream." Enzymes are added during the malting step to help prepare the "mash." This is the fermentable sugar solution which forms the basis of the "wort" to which the yeasts are added.

Dr Portno says: "If we could induce yeasts to secrete these enzymes directly into the wort, the time taken for the first stage could be shortened."

However, there are even broader implications for the development of biotechnology. Yeasts are fast becoming one of the most favoured organisms in commercial fermentations. Dr Tubb says: "If we could build useful industrial strains using these techniques we will have something to offer the new biotechnology industries."

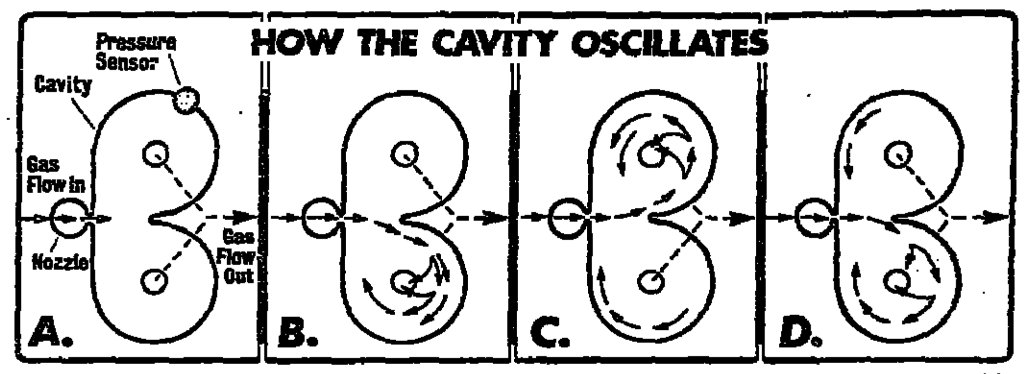
Most of the current work in genetic engineering, he says, is done with laboratory strains of yeasts. "It is a big step, however, to go into industrial production, and what they (engineers) will want then will be robust strains of proven reliability."

Eventually, the brewing industry may become more than just a supplier of fermentation technology. Companies are already discussing how, with new strains of genetic products, they can diversify into new product lines, perhaps plant proteins or enzymes. "Beer sales are a static market," says Dr Tubb. "While it is unlikely that brewers will become pharmaceutical manufacturers, there is nothing to stop them moving into areas related to their existing business."

Measurement Systems

Gas molecules weighed directly by fluidics

DAVID FISHLOCK, SCIENCE EDITOR



AN AMERICAN company claims to have invented an elegant way of measuring the molecular weight of a gas directly and continuously while it is flowing through a pipe. The technique is intriguing the petrochemical industries of Europe for which it could have important implications in energy saving, as well as for on-line control of the composition and purity of a gas stream.

A demonstration is planned in London next February, when a joint Anglo-American paper on the technique will be read at the International Conference on Metering Natural Gas and Liquefied Hydrocarbon Gases. "It is the only machine we know of that will measure molecular weight directly," says Graham Browne, chief instrument engineer of Universal-Matthey Products, of Enfield, co-author of the paper.

The invention combines the technology of fluidics—once seen as a rival to electronics—with the microprocessor. The sensor itself is an ingenious variation on one of the basic fluidic components, the bistable amplifier or "flip flop," refashioned to serve as a simple oscillator. If other conditions such as temperature and gas velocity stay constant, the frequency of oscillation of this cavity oscillator is proportional to the gas's molecular weight.

The accompanying sketches show how the sensor works. It uses the Coanda effect, identified by a Romanian engineer Henri Coanda as the affinity for a fine jet of gas to attach itself to a wall.

As the sample gas stream enters the fluidic sensor (A) as in the diagram some will swirl round one of the twin cavities, adhering to the cavity wall. When this swirling stream meets the main jet of gas (B) again, its pressure is sufficient to flip the main stream over to the second cavity (C). The cycle is repeated (D) and the sensor continues to oscillate at a frequency proportional to the molecular weight of the gas.

The sensor will oscillate at up to 10,000 Hz, the limit of all fluidic components so far. The beauty of this sensor compared with the usual Y-shaped fluidic flip-flop is its simplicity — it needs only three ports instead of seven.

> The analyser is arousing interest in such industries as natural gas distribution

The instrument has been developed by Moxirex, the process control and instrumentation division of UOP Processes, of Chicago, using a fluidic cavity sensor machined from solid stainless steel by Garrett, the aerospace company, also part of the group. It is being adapted to European and Middle East requirements—safety standards, for instance — by Universal-Matthey, a British chemical technology group jointly-owned by Johnson and Matthey and UOP. The instrument may also need specially tailored sample conditioning to clean up the gas stream — dry it, for example, and prevent fouling of the sensor.

The sensor is sealed in an explosion-proof field unit, along with a sample loop, temperature and pressure transducers, and a microprocessor. It has no moving parts and requires no services. The micro-processor runs from a 5-volt current fed back from its associated digital display in the control room.

According to Universal-Matthey executives, the analyser is arousing interest in such industries as natural gas distribution, to control the calorific value of gas in the pipeline; and ammonia synthesis, to control the gas ratio of the nitrogen-hydrogen feedstock. Others include the energy-hungry industries, such as glass- and steel-making, where large savings can be made in closely controlling fuel-air ratios. But at a unit price of the order of £20,000 the emphasis is on large-scale operators and new projects.

The sensor spans the range of molecular weight from 2 to 63, at which point few chemicals are gases at normal temperatures. Mostly chemical engineers are interested in gases with molecular weights from 15 to 40, Graham Browne says. He claims that nothing betters the reproducibility of this instrument at ±0.25 per cent of span. There is a lag of about 25 seconds between the gas entering the analyser and the display of its molecular weight.

From the measurement of molecular weight other factors can be derived and displayed by the instrument, including density, for specific gravities in the range 0.7 to 2.1; and gross heating value of the gas over the range 0-25,000 BTUs per lb (0-60 megajoules per kilogram). Browne likens it to a credit card—"your flexible friend."

Component

Power devices

GENERAL ELECTRIC of the U.S. has developed a semiconductor switch with the highest power handling ability yet achieved.

It is a second generation member of the company's insulated gate transistor (IGT) and is able to control over 12,000 watts. The device's rating is 25 amps at 500 volts and it can conduct peak gate turn-off currents as high as 150 amps.

Announced last year, the IGT combines on a single chip the best features of power MOSFET devices and bipolar transistors, the two existing types of power semiconductor. Like the first type, the IGT needs only very low power to turn it on, which means that simple low cost circuits can drive it. Like the second, the new device has high current handling ability, which minimises its size and cost.

The device is expected to be available in the spring of 1984. More from the GE Research and Development Centre at Schenectady, New York, on (518) 385 8315.

Photography

Chemist mini-lab

THE FRENCH based Kis company hopes to make inroads into high street photographic processing with its microlab. This is a system which occupies a mere 25 sq ft of floor space and can produce prints within the hour.

Kis believes that this will provide small retail chemists and other outlets with a lucrative sideline. The complete photographic production system costs around £20,000. The company has already sold more than 150 units with a further 150 on order. More details from Kis Services, London, on 01-627 4000.